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ABSTRACT

A 2-day regional seminar was held to raise awareness of the problem of youth unemployment in Southeastern Europe and assist countries in the region to develop their own framework of action and concrete projects. The following were among the topics discussed: ways policymakers can help young people find valid employment opportunities within economic hardship and uncertainty; access to education and training and existing employment policies in Southeastern Europe; successful policies in France, Germany, Ireland, and Portugal; regional and community development strategies; and strategies for building partnerships for employment and vocational training. The discussions resulted in a checklist for policy actions to combat youth and long-term unemployment and lists of individual countries' needs and requirements for donor assistance in the following areas: (1) modernizing the education and training system; (2) developing a modern vocational guidance and professional orientation system; (3) optimizing the education and training network; (4) promoting small and medium-sized enterprises and self-employment; (5) providing short and longer training schemes; (6) creating local centers for young people to work with employment offices, social services, and schools; (7) building capacity in relevant ministries and institutions; and (8) developing partnerships among stakeholders. Priority areas for donor assistance in the individual countries and the seminar participants are listed. (MN)

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REPORT

Regional seminar on youth unemployment in South Eastern Europe

Velingrad, June 2000

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REPORT

Regional seminar on youth unemployment in South Eastern Europe

Velingrad, June 2000

European Training Foundation

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Introduction

The European Training Foundation, within the framework of its project on "Vocational education and training against social exclusion", together with the Bulgarian National Observatory and its host institution, the Human Resource Development Fund organised a seminar on "Youth Unemployment in South Eastern Europe" on 19-20 June 2000 in Velingrad, Bulgaria.

The workshop took place within the framework of the Stability Pact. It brought together the Human Resource Development co-ordinators from the beneficiary countries and regions of the Stability Pact (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Romania), other experts of Ministries of Education, Ministries of Labour, Employment Services, and other implementation agencies of these ministries, from the countries of the region, Slovenia and selected EU Member States. The European Commission (DG Employment) and other international and national organisations that are running relevant projects in the countries of the region also participated in order to present their own experiences working on the issue.

The objectives of the seminar were to:

- Raise awareness about the magnitude, causes and implications of the problem of youth unemployment in South Eastern Europe
- Assist countries in the region to develop their own framework of action and concrete projects by:
  - building upon on-going actions in the countries of the region;
  - sharing know-how and experience with EU Member States and candidate countries on finding practical solutions to the complex problem of youth unemployment;
  - exploring concrete and proactive approaches;
  - presenting instruments and mechanisms to support youth employment that have been developed at European level.

The outcomes expected after the two days of discussions were:

- the identification of a check list for policy actions to combat youth (long-term) unemployment covering both the areas of education/training and employment regional development policies;
- the identification of countries' needs;
- the identification of countries' requirements for donor assistance.

The main underlying question behind the discussions of the seminar was:

➥ What can policy makers in the areas of education/ training and employment do in order to assist young people to find valid employment opportunities within a general context of economic hardship and uncertainty in the region of South Eastern Europe?

In order to answer this question four themes for in depth discussion were pre-identified:

- Access to education and training;
- Employment policies for young people;
- Promoting regional/community development, intermediate labour market initiatives and entrepreneurial skills;
- Building up partnerships for employment and vocational training.

This publication presents the outcomes of the rich and intensive discussions that took place during the two days of the seminar. It also provides information on the issue of youth unemployment in each country of the region and the experience of selected EU Member States in dealing with the problem. The publication is structured around three parts and two annexes. Part 1 presents a summary of the outcomes of the discussions. Part 2 presents the "country notes" that were prepared by the participants of the countries of the region and part 3 presents the experience of four EU Member States (France, Germany, Ireland and Portugal) in dealing with specific aspects of youth unemployment. Annex 1 presents the countries' proposals for donor assistance on the topic and Annex 2 is the list of participants at the seminar.

Part 1
Summary of the discussions[1]

1. *Youth unemployment in South Eastern Europe: extent, nature, reasons, implications*

Economic background

Deep economic restructuring in South Eastern Europe, but also ethnic conflicts, war and economic sanctions by the international community (against Croatia and the Federal Republic of Yugoslavia including Montenegro) have seriously affected the economic activity of the countries in the region. This has had a significant impact on the general unemployment level, which (except in Slovenia) has been steadily increasing during the past 10 years. On top of this, economic restructuring is far from complete in many countries in the region. For example, privatisation and economic restructuring are in their initial stages in Croatia and have not yet started in Bosnia and Herzegovina or in Montenegro; the Enterprise Restructuring and Conversion Programme has just begun in Romania. Considering the experience of other countries in transition (specifically Central European countries), it is feared that unemployment has not yet reached its peak and further increases are expected, together with large-scale economic restructuring (with the exception of Slovenia). Overall, as well as the ever-deteriorating employment prospects for the people in the region to date, there is uncertainty about the future shape of the economies of the countries in the region (what will they look like tomorrow?) and a high risk of increasing unemployment (or in the best case – as in the Former Yugoslav Republic of Macedonia – stabilisation at high levels).

The extent of youth unemployment

Within this general context, young people are particularly exposed to unemployment. Unemployment rates for 15–24 year-olds in the countries of the region are routinely twice or even three times higher than those of the total working-age population and range from 18% and 20.8% in Slovenia and Romania respectively to 68.6% in the Former Yugoslav Republic of Macedonia. The rates are lower if we take into account young people aged between 15 and 29 but still remain very high (see Table 1).

In recent years the young unemployed (15–29 year-olds) have accounted for more than 50% of all unemployed in some countries. In Albania, 58% of all registered unemployed are below 31 years of age. In Croatia, 15-29 year-olds accounted for 53.9% of all unemployed (Labour Force Survey data using the International Labour Office definition of unemployment) or 45.4% of all registered unemployed in 1999. In Montenegro, 53% of all registered unemployed are below 30 years of age. The majority of registered unemployed in Bosnia and Herzegovina belong to the 21–35 age group. The ratio of young unemployed to all unemployed is lower in other countries. However, young people

1 Anastasia Fetsi, Thematic Expert on issues of social exclusion, Department Central Europe South, European Training Foundation.

aged between 15 and 29 account for 30.9% of all unemployed in Bulgaria and 27.6% in Romania (or if we use household survey data applying the ILO definition 37% and 39.6% respectively).

Table 1: Youth unemployment 1999

	Total unemployment rate		Youth unemployment rate			% of young unemployed to all unemployed	
	Registered	ILO		Registered	ILO	Registered	ILO
Albania[1]	17%	...	Below 21	...	...	13%	...
			Below 31	...	...	58%	...
Bosnia and Herzegovina	28.6% 36.6%[2]	...	15–24	...	...	...	...
			15–29	...	...	...	...
Bulgaria[3]	13.8%	17%	15–24	...	36.7%	17.4%	23.9%
			15–29	...	27.8%	31.4%	37%
Croatia	19.4%	14.5%	15–24	...	39.2%	30.4%	37.8%
			15–29	...	31.2%	45.4%	53.9%
FYROM[4]	47.9%	32.4%	15–24	...	68.6%	...	32.9%
			15–29	...	60.6%	...	54.1%
Romania[5]	11.5%	7.2%	15–24	15.7%	20.4%	28.2%	38.9%
			15–29	11.8%	15.1%	39.5%	53.4%
Slovenia	13.6%	7.4%	15–24	...	19.7%	22.3%6	29.8%
			15–29	...	13.2%	32.7%6	44%

Notes:

... *Data unavailable*

1. *Administrative data/registers of the Employment Office*
2. *Includes workers on waiting lists*
3. *Administrative data refer to the 1999 average. Labour Force Survey data refer to November 1999*
4. *Data refer to April 1999*
5. *Administrative data are taken from the bulletin statistics of the Ministry of Labour and Social Affairs. Data on International Labour Office unemployment are taken from the AMIGO (Romanian Labour Force Survey) published by the National Committee of Statistics*
6. *Data refer to the age groups 15–25 and 15–30*

Profile of youth unemployment

A close analysis of the phenomenon demonstrates that the profile of youth unemployment, in terms of the qualifications held by the young unemployed, is very much country-specific. At one end of the spectrum, **Albania** reports that youth unemployment is heavily concentrated on unqualified or low-qualified young people aged between 14 and 20. These are young people who have left school early because of the economic inability of their families to support their schooling.

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At the other extreme, **Montenegro** faces youth unemployment that mainly affects graduates from secondary school but also university graduates. Participation of young people in education and training is very high in the country (almost 100% in primary education; more than 90% in secondary education; and 40% in university education) and the dropout rate is still low. However, considering that neither secondary (vocational) education nor university education have been reformed in the past 10 years, the qualifications that young people get and the skills they develop correspond to an outdated economic reality. On top of that, it seems that the social demand for university education is not matched by an economic demand for the graduates.

The other countries of the region fall between the two extremes, presenting a youth unemployment profile at the expense of the unqualified, low qualified and secondary education graduates.

In **Bosnia and Herzegovina** everyone, apart from the well-educated young people who are able to find jobs in international organisations in particular, is equally exposed to unemployment. However, those with only low qualifications – as is the case in all countries – have even poorer chances in the labour market.

Bulgaria reports that young people with low-level qualifications and graduates without a vocational qualification or speciality predominate. (According to data of April 2000, 53.4% of registered unemployed youth in the 15–29 age group have primary and lower secondary education.) On the other hand, young higher education graduates present low unemployment rates (5.4% of all registered unemployed in April 2000).

In **Croatia** youth unemployment mainly means the unemployment of skilled workers and secondary school diploma graduates (who account for 78.1% of all young unemployed), although worries are expressed for those unskilled or semi-skilled young people who also present a high risk of unemployment. Young higher education graduates present very low unemployment rates.

In **Romania** 68.6% of all registered unemployed receiving unemployment benefit below the age of 25 are workers. The main reason for the difficulties that young people have in their professional integration is attributed to the insufficient correlation between labour market requirements and the vocational programmes offered by the education system. Another, relatively large group of young people with particular problems consists of graduates of lower education, young handicapped people, and the young Roma with low qualifications and low motivation for socio-professional integration.

In **Slovenia** the problem of youth unemployment is closely linked to low qualifications and to the special psychological and social problems of disadvantaged youth. Otherwise, young people in Slovenia can find employment (in fact, the problem of unemployment in Slovenia is worsening for workers aged over 40 whose unemployment rates are rising with time, rather than for young people whose unemployment rates are either declining or remaining stable).

In terms of the length of unemployment, a large percentage (above 40%) of all 15-29 year olds remain unemployed for more than one year in almost all countries of the region for which data are available (according to data from household surveys and applying the ILO definition of unemployment, cf Table 2). Long-term unemployment for young people can create big problems in their further integration into working life, and therefore even small numbers of young unemployed people can have a significant impact in these countries. For example, Croatia recognises the need for intervention in favour of those who remain unemployed for more than one year and in particular for the 7% of all unemployed young people who are out of work for more than three years.

Table 2: Long-term youth unemployment 1999

		% of young long-term unemployed to total young unemployed		% of young long-term unemployed to total long-term unemployed	
		Registered	ILO	Registered	ILO
Albania	Below 21	...	...	...	...
	Below 31	...	...	59%	...
Bulgaria	15-24	24.4%	45.1%	13.4%	20%
	15-29	28.7%	...	28.5%	...
Croatia	15-24	36%	38.4%	21.8%	28.9%
	15-29	39.6%	40.8%	35.7%	43.5%
Romania	15-24	23.6%	24.4%	44.9%	45.3%
	15-29	33%	36%	62.1%	67.1%
FYROM	15-24	...	29.1%	...	20.9%
	15-29	...	62.2%	...	45.1%
Slovenia	15-24	...	45.2%	...	23.8%
	15-29	...	47.1%	...	36.5%
	<26	39.7%	45.5%	15.7%	29.3%

Place of residence is a further aspect of the youth unemployment profile in the countries of South Eastern Europe. Rural populations seem to be particularly hard-hit by unemployment. However, this is not readily obvious in the statistics for the reason that rural populations that own some land are considered farmers (hence, self-employed) and they cannot declare themselves unemployed. Many countries/regions (Albania, Bulgaria, Montenegro and Romania) report migratory movements of young people from rural areas to bigger cities in search of better employment chances. As bigger cities do not seem to provide these better opportunities for all young people, the phenomenon of youth unemployment becomes a problem of urban areas. Albania reports that many people in the countryside are considered self-employed, although there are indications that they are looking for jobs and that they very often migrate to the cities, thereby making the problem one of urban unemployment. In addition, Montenegro reports that, despite the fact that rural and remote areas face open or even disguised unemployment, the major problems are faced by young people in cities as a result of migration from rural areas to the bigger cities. Finally, Bulgaria reports that the staff in its labour offices think that young people prefer to migrate to the big towns and cities rather than undertake training to obtain a new qualification.

Finally, countries identified specific youth groups facing pronounced problems with their professional (re)-integration. These are the Roma youth in Romania and Bulgaria (and to a lesser extent in other countries), young returnees, refugees, demobilised soldiers and young war invalids in Bosnia and Herzegovina, and in Croatia.

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Reasons for youth unemployment

The low economic activity in the region and the **lack of jobs to** absorb the actual supply of labour (in other words, the reduced economic demand for labour) was reported as one of the most important reasons for the high level of youth unemployment. This is particularly true in rural and remote areas, mono-industrial areas under deep economic restructuring, and areas that have been destroyed by war and ethnic conflicts. At the same time, jobs for well-educated young people seem to be available if we take into account their low unemployment rates.

Another important factor influencing youth unemployment is the incapacity of the education and training system to prepare young people for the changing economies of the region. Two main factors are involved here. The first relates to a typical **skill mismatch** problem. The type of qualifications that young people acquire in the education and training system and with which they enter the labour market, as well as the specific knowledge/skills they acquire, do not correspond to the requirements of the labour market. This seems to be a problem for the young skilled workers in Croatia and Romania, the secondary general school graduates in Bulgaria and Croatia, and the secondary school and higher education graduates in Montenegro.

The second factor relates to the problem of leaving **school early**. The phenomenon takes on huge dimensions in Albania, where 38–40% of young people do not continue their studies after compulsory education. Young people from both villages and cities are equally affected. On top of this, some children from rural areas interrupt their studies in the seventh or eighth class of compulsory schooling. The problem is also reported in Bosnia, where participation rates in all levels of education are decreasing and young people are achieving lower levels of qualification than their predecessors. Participation in primary education fell from 98% in 1991 to (an estimated) 82% in 1999, while participation in secondary education was reduced from 90% to 75% in the same period. Croatia also expresses concerns about the 25% of all those enrolled in secondary education who do not accomplish their studies (despite the fact that 95% of an age cohort enrols in post-compulsory education). Finally, Romania reports increasing dropout rates, in particular from apprenticeship schools which account for 70% of all pupils abandoning their studies at secondary level. Rural areas present the highest average rate of non-attendance for 7–14 year-olds (8%).

It should be recognised that the main reasons for leaving school early must be sought outside the school system itself. One reason is the increased poverty in the countries of the region, i.e. the reduced economic capacity (and occasionally lack of willingness) of the most vulnerable families to support their children's studies (e.g. impoverished families in urban and rural areas, Roma families, families of refugees, etc.). Another is the lack of motivation of young people from these environments towards education and work. However, the education system is unable to address the needs of youth at risk of early school leaving, and thus contributes to the extent of the phenomenon (or at least it is unable to counteract it). The reasons identified for the incapacity of the education system to deal with the issue of early school leaving include:

- the inflexibility of the curricula;
- too much theory and too little practice in school studies; and
- a lack of approaches that address the specific needs of young people at risk.

Another important reason is the bad state of schools in some parts (in particular in rural areas) of the countries of the region that has resulted from the overall lack of investment in education in recent years. Some countries cited the lack of winter heating in schools.

Finally, other important reasons for the high levels of youth unemployment that have been identified include:

- the lack of appropriate vocational guidance within and outside the vocational education and training system;
- the lack of sound information on the labour market;
- the lack of knowledge on how to search for a job or even to prepare a CV and get ready for an interview; and
- the lack of previous work experience.

Implications

Despite the fact that young people's greater exposure to unemployment is not a characteristic unique to the region[2], the phenomenon becomes particularly important because of its extent and the implications that it may have for the efforts being made towards the economic reconstruction of the region. Some of the dangers it may entail are enumerated below.

- There is a risk that young people may be discouraged and lack hope for a better future. This may trigger a vicious circle leading to the marginalisation of the most vital part of the population in the countries of the region.
- There is the serious brain drain problem that results from the widespread emigration of qualified young people. For example, Bosnia and Herzegovina reports high levels of emigration of highly qualified young people since the start of the war. Estimates for the period 1996–98 put the number of emigrants at 42 000, 75% of whom were below 40 years of age and 95% of whom were highly educated. Also during the period 1990–1998 more than 17 000 people left the Former Yugoslav Republic of Macedonia. Of those, 70% were between 18 and 30 years of age and, of them, 53% held a diploma of secondary or higher education. Bulgaria and Romania also report brain drain problems.
- Young people may become involved in illegal activities.
- Young people may occupy themselves in the grey economy, which is not a long-term solution either for themselves or for their countries.
- There is a risk that a poor work culture with a low discipline may develop.

2 All European countries present unemployment rates that are higher among young people than in the whole population as a result of the special difficulties that young people face during the transition phase from school to working life.

2. *Past and current actions to combat youth unemployment in South Eastern Europe*

Given that the reasons for youth unemployment were found both in the economy/labour market and in the education and training system, the seminar participants explored both:

(i) the education policies and reforms that have been put in place to better prepare young people for the labour market and to discourage early school-leaving; and

(ii) the employment policies that have been developed to assist young people in finding a job.

Education policies and reforms

The majority of the countries/regions in South Eastern Europe (except Bosnia and Herzegovina, Croatia and Montenegro) have already initiated reforms of their education and training system. Among the most important driving factors behind the reforms was the desire to make their vocational education and training systems more responsive to the requirements of a market economy and a changing labour market. These reforms were fully supported by the European Union through its Phare Programme[3], and by other international donors such the World Bank and the Open Society Foundation, as well as by national donors.

The starting date and pace of reforms of the education and training system vary across countries. Slovenia began reforms early and has advanced substantially. Bulgaria and Romania started the reform at a relatively early stage in the transition process and have already made progress, but reforms still need to be implemented in all parts of the system. The Former Yugoslav Republic of Macedonia started reforms later, i.e. in 1998 with the Phare vocational education and training programme, and is moving systematically and consistently. On the other hand, Albania started its reforms early but the process was delayed (occasionally interrupted); Bosnia and Herzegovina is just beginning the process; and Croatia and Montenegro have expressed a need for reforms.

More specifically, **Albania** initiated reforms as early as 1993 but the reform process lost momentum because of financial difficulties, the period of social unrest in 1996–97 and the Kosovo crisis. Although some changes (e.g. new training programmes, rationalisation of the school network and the setting up of training centres) have been made, the large-scale reforms in terms of policy formulation, legislation, institution building, development of national standards and curricula, teacher training, etc. are still to come.

In **Bulgaria**, the Vocational Education and Training Act of 1999 has created the normative basis for the modernisation of the system. Free access to education, the assurance of a qualification for all and opportunities to upgrade that qualification, and the approximation of the system to European standards in accordance with the requirements of the labour market are the main principles of the Act. Other achievements include: the introduction of a training module approach in 18 different vocations; new curricula for occupations of strategic importance; the development of a system of post-secondary vocational programmes; the updating of the list of occupations for school training so as to meet the new needs of the labour market and the students' demands; a new model for teacher development; the setting up of guidance services to schools; etc. However, there is still scope for modernisation and upgrading of curricula in some occupations and for the implementation of the reforms in every school in the country.

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3 However, the level of support varied across the different countries.

In **Bosnia and Herzegovina**, there was a massive destruction of the previously well-developed vocational education and training system (70% of the educational infrastructure was destroyed or requisitioned during the war). Efforts for reform of the vocational education and training system that took place under the Phare vocational education and training programme addressed short and medium-term needs. These training measures were mainly designed to:

- reintegrate refugees, displaced students and demobilised soldiers;
- create and win acceptance for a mid/long-term plan for vocational education and training;
- upgrade curriculum development methodologies; and
- produce and disseminate teaching materials and projects in pilot schools.

However, the development of legislation, school refurbishment, the development and implementation of new curricula for the whole range of required occupations in the country's schools and other action to upgrade and modernise the system are all matters still ahead.

In the **Former Yugoslav Republic of Macedonia**, outdated technical and technological elements of vocational training have been discarded and new subjects introduced into the curricula. The secondary school system has been brought up to date and the Phare vocational education and training programme (based on a pilot 16-school scheme) is aiming at a major, systematic rationalisation of the existing system through changes in educational structures, identification of broad educational profiles, adjustment to labour market needs and the modernisation of the educational process itself. The new programme will give fresh impetus to reforms.

In **Romania**, the main promoter of the reform was again the Phare vocational education and training programme, under which the following successes were achieved:

- standardisation of qualifications in accordance with the National List of Occupations (which included the development both of new training and occupational standards);
- development of flexible (modular) curricula based on the new occupational standards and the implementation of core skill modules;
- introduction of a locally based curriculum developed by local partners;
- establishment of social partnership structures at all levels; and
- training of a group of vocational teacher trainers.

These elements of modernisation cover most, but not all, occupations and others should be dealt with in future. Moreover, updating action and reforms should be disseminated to and implemented in all schools in the country which remain part of the Phare vocational education and training pilot programme. The Ministry of Education has developed a programme for "educational re-launching" which is designed to address the ever-worsening standard of rural education. It will be financed by a World Bank loan and will lead to some restructuring of the rural school network in response to the needs of the labour market and of pupils from the rural environment for educational and professional guidance.

Overall, the discussion during the seminar demonstrated that despite the relatively advanced stage of reforms, there are still common constraints hindering the education and training systems of the countries in the region from responding both to the requirements of the economy/labour market and to those of the individuals. The following list sets out some of these common constraints.

➥ A lack of public awareness of the importance of a modern education and training system in economic and social development. Educational and training reforms do not seem to be given any substantial priority on the political agenda in a number of the countries in the region.

- Vocational education and training systems remain centralised, rigid and over-regulated. This impedes innovation and quick reactions to a rapidly changing economic reality at both national and regional/local level.
- Cooperation between education/training institutions, labour market/employment agencies and social partners for the development of coherent education and training strategies, and the implementation of those strategies, is still weak. Two reasons for this are cited:
  (i) the weakness of the institutional framework that would enable/facilitate this cooperation; and/or
  (ii) the lack of willingness or skills of the staff in the different institutions to promote such cooperation.
- The flow of information on the new skills and occupations between the education/training and economy/labour market communities is still lacking or weak. There are no well-established systems for the collection of information from the labour market or its translation into meaningful messages for education/training decision-making and the provision of vocational guidance to young people.
- Cooperation among schools and employers is weak, although it could improve the training of young people and make it better adapted to the needs of the employers. Companies (especially small and medium-sized enterprises) cite reduced capacity or unwillingness to invest in training.
- Curricula are still largely based upon outdated job profiles (even in such countries as Bulgaria and Romania which have reformed part of their profiles and curricula). They are rigid, not oriented towards the needs of the individuals and do not develop entrepreneurial skills for young people.
- Trainers, teachers and administrative staff lack knowledge of modern techniques, which reduces their capacity to innovate or even implement new ideas.
- A lack of funds for large-scale reforms and for the upgrading of infrastructure (both school buildings and equipment are often in bad condition; computers are often lacking; and occasionally schools are incapable even of covering such basic running costs as electricity bills).

Employment policies for youth

The countries in the region have not yet formulated comprehensive policies for combating unemployment among young people[4]. At the same time, it should be recognised that all countries in the region (except Albania and Bosnia and Herzegovina) include young people as a target group in their employment policies, thus demonstrating the awareness of their authorities of the specific problems of youth. Very often specific measures targeting sub-groups of young unemployed are implemented as part of active labour market measures. These sub-groups are obviously those considered more exposed to unemployment, e.g. young dropouts, young people from orphanages, secondary or higher education graduates, young people without previous work experience or young people below a certain age. In parallel, occasionally young people participate in measures that are meant for the unemployed in general (as in the case of Albania).

The most common active labour market measures taken to deal with young unemployed in the countries of the region are set out below.

4 Bulgaria is now planning a programme on social and economic integration of young people within the framework of the National Economic Development Plan 2000–2006.

- **Subsidies to employers** for recruiting young people for a certain period of time (which can also take the form of tax exemptions or exemptions from contributions to social security). This measure seems to be particularly popular as it is found in almost all countries of the region. Its popularity lies in the fact that it tries to counteract one of the known reasons for youth unemployment, namely the lack of previous work experience. Through this measure, employers can recruit young people (at low cost), check their capacities, knowledge and potential, and train them (often this measure is also combined with on-the-job training) before they eventually recruit them on a normal contract.

- **Temporary work** (in the public sector). This measure is taken to fill the gap between demand for and supply of labour (i.e. it addresses the youth unemployment that results from lack of jobs). It is rarely targeted at young people, although young people do benefit from it. Because it is costly participants in the seminar did not consider it particularly appealing. Moreover, it does not provide young people with a longer-term prospect of work as it does not ensure employment at its end. On the other hand, participants did recognise its usefulness in areas where there is no other possibility of work (examples are rural and remote areas or areas destroyed by war) as it gives young people the chance to be active and also to do useful work for their community (for example, if it involves the reconstruction of buildings and roads, maintenance of gardens and parks, garbage collection or other useful community activities). A further important precondition for the success of this measure is its combination with training to improve the possibility of young people finding work elsewhere. Finally, it is a measure that can be combined with occupations in crafts, after which young people can create their own activity as craftsmen. It was, however, considered the least appropriate measure for dealing with very young people (i.e. 14-16-year-olds).

- **Training, retraining and further training** of young people. This measure has a double objective, being used to reduce skill mismatches with the local labour market and as a second chance for unqualified or low-qualified young people to acquire a first or higher qualification. The design of each training programme varies according to the specific objectives of the training and the modalities of training provision (some training programmes are institution-based and are provided in training centres or schools that are used as training centres, while other programmes provide on-the-job training). However, seminar participants mentioned some constraints on the effectiveness of the training programmes and in particular of institution-based programmes. Very often both the jobs for which this training is a preparation and their content are decided on an *ad hoc* basis without prior consultation with or the involvement of local employers, or without sound information on the needs of the local labour market. Accordingly, training does not actually help young people to find employment at the end of the training programme and it can also discourage them from further job-seeking. The involvement of employers in the training and some consideration of the need to develop the local economy in the design of the training programmes were considered preconditions for their success.

As well as these three measures (which seem to include the greater part of all the action taken to combat youth unemployment), two types of intervention were discussed widely during the seminar. The first is the provision of **vocational guidance** to young people, the importance of which lies in the rapid changes in the labour market and the lack of information that young people have about these changes. To date only Bulgaria and Romania seem to have worked on the improvement of their vocational guidance system by bringing in vocational guidance programmes offered by employment offices or setting up facilities in the employment offices or introducing other specific structures. Despite the fact that all countries have some kind of vocational guidance structure or system (either within or outside the formal education and training system), the lack of sound information on the labour market and of well-trained staff is seen as a major impediment to the good functioning of vocational guidance. (This problem is also recognised in Bulgaria and Romania.)

Discussion of the second type of intervention, **support to young people to develop entrepreneurial skills and set up their own small or medium-sized enterprise or become self-employed**, demonstrated that the measure is enjoying a lot of attention as an instrument for job creation and for fighting unemployment in all countries of the region, with most countries reporting that they have elaborated and experimented with such measures/schemes. They are not really targeted at young people but rather at all unemployed or redundant workers, or other relevant target groups. However, young people do participate as well. The measures are quite diversified in terms of the instruments used but in almost all cases start-up funds are provided in form of loans or grants. Occasionally, but not very often, beneficiaries can also receive training and other help as well as funding. Many countries have also seen business "incubators" or business centres set up either through national initiatives or through the projects of international organisations and NGOs as longer-term help in developing a small and medium-sized enterprise and a self-employed sector.

Although participants in the seminar supported the idea that entrepreneurial skills and the development of small and medium-sized enterprises are valid instruments with which to combat youth unemployment in the future, they also expressed their scepticism about the success of the efforts that have been made until now and pointed out some impediments or constraints on their success, as itemised below.

- A first set of constraints concerns the environment in the countries of the region and would include the lack of both a legislative basis supporting the development of small and medium-sized enterprises and of available funds (which is linked to the unwillingness of banks to invest in the development of such a sector, as well as corruption).

- A second set of constraints relates to the shortage of actual skills and the lack of an entrepreneurial culture among people who participate in this type of measure or scheme. The seminar reported that such participants lack the know-how to develop a business plan, to look for markets, or to develop their business. Some seminar participants reported that some people (in particular young people) participate in this kind of scheme only because there is no alternative. The outcome is that after the scheme ends only a limited number of those enterprises survive.

- A final set of constraints concerns the design of some measures/schemes which only provide the funds for setting up a business but either limited or no assistance in covering the skills gaps reported above (such as advice on business development, mentoring, monitoring and follow-up work). In fact, seminar participants considered it necessary to link this type of measure/scheme with a more systematic, longer-term programme to promote enterpreneurship, e.g. with setting up specific services such as business "incubators" and business centres for entrepreneurs and businesses. With particular regard to young people, the point was made that efforts to teach entrepreneurial skills through short or even longer-term training courses are not sufficient. A radical change in attitude and mentality is needed and that can only be achieved through the education and initial training system.

Seminar participants also identified a number of further obstacles or constraints relating to the overall conception and implementation of measures aimed at combating youth unemployment, as listed below.

- Lack of an overall strategy for employment: employment measures for youth are relatively *ad hoc* and are not linked to any overall strategy for economic development and employment[5]. They are fragmented and piecemeal actions which by definition cannot effect long-term positive results.

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5 In the case of the candidate countries of the region (Bulgaria, Romania and Slovenia) this is changing as these countries have already developed a National Development Plan which includes both a National Employment Plan and a Human Resource Development Plan as part of the accession process.

- Lack of capacity and expertise: both at central and, in particular, at local/regional level staff are needed to promote and implement innovative approaches in support of employment (both overall and among young people in particular).
- Lack of partnership: institutions preparing young people for the labour market (i.e. schools), those that take care of unemployed youth (employment offices) or those providing employment to young people (small and larger enterprises), as well as local or national bodies responsible for the development of economic and social policies do not really communicate efficiently with each other. As a result, there is a lack of synergy in acting towards the common goal that is the education, training and employment of young people. It should be acknowledged that some countries in the region (such as Bulgaria, Romania and Slovenia) have developed legislation and set up structures (in particular at national level) for better communications between bodies involved in training and employment. However, it seems that there is still scope for improvement. The problems seem to be particularly important at regional/local level where participants still need to be convinced about the potential offered by their closer cooperation.
- Lack of expertise in employment offices: although these offices are the institutions implementing all employment measures, staff there often lack the training to undertake the tasks required of them.

3. *Indications for future action to deal with youth unemployment in South Eastern Europe*

Discussion during the seminar produced two main indications for future action to deal with the serious and complex problem of youth unemployment in the countries of South Eastern Europe.

1. Comprehensive action should be planned and taken both by the education and training side and the employment and labour market side. (This implies the need for better cooperation among protagonists on both sides at national and local level.)
2. Countries in the region should proceed to profound systemic reforms of their education and training systems so as to ensure their better linkage to economic development and to reduce skill mismatches. However, the design and implementation of education and training reforms will be a long-term process and countries must meanwhile deal with the current acute problems of the young unemployed. It follows that, in parallel with efforts at reform, countries in the region should also invest in the development and implementation of employment measures for young people who have left the education system and are already in the labour market. Youth (re-)training to reduce skill mismatches and investment in entrepreneurial skills to help young people to create their own job opportunities are both indispensable tools.

Within this general framework, a number of indications for future action were identified both in the area of education and training and in the area of employment, as set out below.

Education and training

1. Developing legislation on vocational education and training that fixes the basis on which the system can function within the framework of a market economy (i.e. decentralisation, flexibility, deregulation).

2. Developing new institutional capacities at both central and local levels to facilitate cooperation and the flow of information between education/training institutions and the economy (i.e. employers) and to stimulate innovation.
3. Changing the mentality of staff within the ministries, schools and other institutions involved in education and training and increasing their capacity to innovate.
4. Raising public awareness of the importance of education and vocational training.
5. Setting up the principles and preparing young people for life-long learning so as to help them to cope with change.
6. Increasing the entrepreneurial skills of young people through the process of education and training itself.
7. Improving the quality and relevance of education by introducing new curricula, and new learning methods so as to respond better both to the requirements of the changing labour market and to the needs of individuals.
8. Investing in teacher training.
9. Introducing new technologies in schools.
10. Optimising the educational and training network.
11. Developing a well-functioning careers guidance system.
12. Combating the early school-leaving phenomenon by undertaking proper diagnosis of the problems of children at risk, assessing and responding to their needs and developing methods for their mainstreaming.

Employment policy

1. Employment policy that is an integral part of an overall economic development strategy at both national and regional level. It can then form the basis of a coherent policy for the promotion of youth employment and prevent piecemeal and inarticulate interventions.
2. Accurate diagnosis of young people's problems. As the seminar discussion demonstrated, the profile of the young people who are at risk of unemployment (both within any one country and across the region) is very diverse. This diversification can be seen in terms of their age, educational, social and family background, place of residence, degree of disaffection from work and "normal" social life, etc. An indicative list can include: very young people who leave school prematurely; young people disaffected from the labour market; graduates of secondary schools and universities; demobilised soldiers; and young people from refugee families and returnees, etc.
3. Provision of comprehensive measures tailored to the specific problems of young people. Occasionally young people pass from one measure to another (e.g. from training to work in the public sector and from there to a scheme for self-employment and so on) with no real prospect of finding employment in the end. This is often demotivating for them and it is therefore desirable to combine the different instruments aimed at increasing their employability from the very beginning (by, for example, combining vocational guidance and personal development with training and – later – job placement). It is also important to stress that in the case of young people who are seriously disaffected from the labour market, such comprehensive action should include a remedial component (such as mentoring, psychological help, confidence-building therapy, etc.) before any component addressing the issue of employability directly.

4. Creation of partnerships at the local/regional level between schools, employers, employment offices, chambers, local community governments, local social services, representatives of central government, NGOs and young people themselves for the development of comprehensive action on training and job creation. Conditions ensuring successful partnerships include:
   - involvement from the start of all relevant parties;
   - agreement on clearly defined targets;
   - strong leadership;
   - well-planned activities;
   - accurate distribution of each partner's responsibilities;
   - team-building and the development of good working relations;
   - follow-up and evaluation work; and
   - good information network within and beyond the partnership.
5. Further support and long-term assistance covering all stages of development for small and medium-sized enterprises and the self-employed sector. Business "incubators" and business centres will be necessary in developing a solid basis and building capacity in small and medium-sized enterprise and self-employment at the local level. Appropriate legislation must also be developed and structures such as national agencies for small and medium-sized enterprises should be set up. Formal or informal information networks for information are equally important at the national level.
6. Provision of training and re-training for young people who have left the education and training system. Properly designed training programmes for occupations that are in demand in the local/regional labour market, with local employers involved in their design and delivery, should be available.
7. Creation of job clubs and youth centres where young people can meet and exchange information and receive guidance from the employment services. It is important for these clubs and centres to work closely with schools, social services and employment offices.
8. Staff development in the institutions dealing with the development and implementation of employment policy (e.g. the Ministry of Labour, central and local employment offices, and other agencies at national and local level). Training would familiarise staff with modern methods focused on alleviating youth unemployment.

4. *Donors' assistance to the countries of South Eastern Europe in dealing with youth unemployment*

All participants in the seminar considered that the countries themselves had the primary role to play in developing and implementing policies and measures aimed at the alleviation of youth unemployment in the region. Governments should consider this problem a priority item of their agenda and demonstrate their commitment to deal with it.

At the same time they also recognised that there was still scope for raising public awareness of the importance of education, training and employment policies for youth, on the one hand, and of the possible means/tools to promote them, on the other. To date, countries in the region facing severe budgetary limitations and struggling to reconstruct their economies often postpone efforts to deal

with the issue until better times, or they consider that the problem will be resolved as the economy improves. This attitude provokes an accumulation of problems that endangers the economic reconstruction itself. In this respect the role of external donors is very important in triggering reforms, in supporting innovative ideas and in mobilising national/local resources (not necessarily financial but also human). This was a consideration that the countries which have already received assistance for the reconstruction of their education and training system or the promotion of employment measures (from, for example, the Phare Programme) also recognised.

Participants identified a number of priority areas for donor support and types of support for their countries (see Annex 1). They demonstrate that the dissemination of examples of good practice, the transfer of expertise, technical assistance, piloting and the provision of training (both for administrators and for young people themselves) are of primary importance.

The following list of the priority areas for donor support and the type of support involved in the region is based on the countries' requirements.

1. Modernisation of the education and training system through the introduction of new teaching and learning methods, and of curricula that are adapted to the skills the changing economy and labour market (including skills for entrepreneurship) demands. Types of donor support include transfer of expertise; provision of technical assistance; and funding for pilot activities.

2. Development of a modern vocational guidance and professional orientation system both within and outside the formal education and training system. Types of donor support include transfer of expertise; provision of technical assistance; and funding for pilot activities.

3. Optimisation of the education and training network by establishing new training centres, modernising existing ones, using schools as training centres and/or transforming vocational education and training institutions into community resource centres. Types of donor support include provision of expertise and know-how; technical support; and provision of equipment.

4. Promotion of small and medium-sized enterprises and the self-employed sector through the establishment of business "incubators" and centres, and the provision of entrepreneurial programmes for youth. Types of donor support include funding and technical support for the establishment of business "incubators" and centres; provision of expertise for the design of entrepreneurial programmes for young people; and funding for pilot programmes.

5. Provision of short and longer training schemes to increase the employability of target groups of unemployed young people or pathway programmes for youth at risk. Types of donor support include transfer of expertise and provision of technical assistance; design of the training schemes; and funding for pilot schemes.

6. Creation of local centres for young people which will work closely with the employment offices, social services and schools. They may take the form of job clubs, information centres, etc. Types of donor support include transfer of expertise in the establishment and medium-term running of the centres.

7. Capacity-building in the relevant ministries, schools, other training institutions, employment offices and other agencies with responsibility for policy development and implementation, the development of legislation, institutional frameworks, etc. Types of donor support include transfer of expertise and know-how; technical assistance; provision of training for the staff of agencies/institutions mentioned above (including teacher training).

8. Development of partnerships among stakeholders for vocational education and training and employment at local and national level. Types of donor support include transfer of expertise and know-how; technical assistance; and funding for pilot activities.

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Part 2
Country notes on youth unemployment

Youth unemployment in Albania[6]

1. Socio-economic background

Large-scale unemployment is a phenomenon of the past decade caused mainly by privatisation and the process of reorienting the existing industrial and production activities. The concentration of heavy industry in certain areas during the communist era created urban centres based on industry. The closure of these industries on grounds of inefficiency caused a high rate of unemployment in these areas, while the deep economic and political crisis of 1996–97 and the more recent war in Kosovo have not permitted the economy to recover, so that unemployment is becoming a long-term phenomenon.

According to employment office registers, 238 000 people or 17% of the labour force were unemployed at August 1999. This number increases if we add people in rural areas who are considered self-employed because, according to law, they make their living from the land and other agricultural activities. However, there are indications that many of these people are looking for jobs and emigrate to other countries because the income they get from farming is insufficient.

The smallest group among the unemployed consists of those with tertiary education. This situation reflects both the trend for our economy to absorb highly qualified people and the capacity of highly educated people to find means of employment and self-employment. On the other hand it is a tragic reality that many Albanian intellectuals and cadres with highest qualifications are leaving the country in search of work elsewhere.

2. Youth unemployment

That young people are particularly vulnerable to unemployment is one of the critical phenomena of Albanian society. According to statistics from the Ministry of Labour and Social Affairs, unemployment is highest among young people, with 139 000 people – or 58.2% of all unemployed – below the age of 34 looking for jobs. Young people up to 21 years of age account for 13% of all unemployed. On top of that we should also stress that people below the age of 34 account for 59% of all long-term unemployed. As of April 2000 there were 9 638 young people receiving unemployment benefit.

Reasons for the higher percentage of unemployment among young people include:

- socio-economic and family environment;

6 Authors: **Edmond Hoxha**, Director, Directorate of Studies and Projects, Ministry of Labour and Social Affairs; and **Rushdi Reci**, Specialist, Sector for Vocational Education, Ministry of Education and Sciences.

- lack of job vacancies;
- lack of information on the labour market;
- lack of work experience;
- lack of education and training;
- lack of hope for better future.

3. *Employment policies for youth*

In an attempt to solve the big problem of unemployment in Albania, active policies and measures aimed at supporting employment have been put in place. Although to date, no specific programme addressing the particular needs of young people has been designed and implemented, young people participate in and benefit from three current programmes, entitled:

1. Employment promotion through on-the-job vocational training.
2. Employing the unemployed.
3. Employment promotion through institutional training.

4. *Access to education and vocational training*

The big economic and social changes in the economy in Albania brought about two negative effects in the field of education that families on small incomes felt keenly.

- Children completed only compulsory classes and instead of going on to further studies entered the labour market. They already number some 38–40% of the post-compulsory pupils. This is a phenomenon both in villages and towns. The majority of participants are part of the black economy and although the legal age is 16, they are 14.
- Compulsory education is being interrupted in the seventh or eighth class. This happens more often in rural areas where the parents prefer to keep their children at home to work on their farms.

To help equip pupils in rural areas to enter a market economy the state is organising training programmes in languages and computer studies, although the programme is inadequate since the majority of areas lack training centres. One solution might be to use the schools as community training centres. The religious community in the rural areas has made an important contribution through the training in basic professions that it has provided.

In Albania, the promotion of vocational training outside the formal education system is one of the Government's most important policies for reducing unemployment (see also Section 2 above). This training officially started with the first cooperation between the Albanian Government and Denmark, Greece, Italy, Germany (Gesellschaft für Technische Zusammenarbeit/GTZ) and the United States (USAID), as a result of which seven training centres have been built in different cities in Albania. The main courses provided in these centres, which are financed by the State, cover computer studies, tailoring, domestic repairs and general building, beauty science, secretarial studies, foreign languages, vehicle servicing and repairs, etc. In addition to the state-financed centres, there are also more than 40 private training centres in operation in Albania.

At the time of writing there is a large and developing training market in Albania, but it will be necessary to establish national standards and accreditation procedures for the future. A big help in

this direction will be the new draft law on vocational education and training. The existing policies have been successful but are not sufficient and must be further developed in the future. The future reform of vocational education and training will deal with decentralisation, the construction of new training centres, support for the private sector, legislation development, staff training, etc.

5. *Promoting regional/community development and entrepreneurial skills in young people*

One of the main objectives of education reform in Albania is to equip young people with good management skills that will enable them to work in small and medium-sized enterprises. It is for this reason that the new school curriculum pays particular attention to such new subjects as organisation/management, legislation, economics, etc. At present the vocational schools take 20% of the total student population.

Further emphasis is put on the independence of schools and getting aligned with practical needs. There are two types of vocational school now: (a) the three-year vocational school, and (b) the five-year technical school oriented to the need of the region. The new law on vocational education and training will also help in this direction.

6. *Building partnerships for employment and vocational training*

Partnership between the vocational schools, vocational training centres, public companies, national and local authorities, chambers of commerce and Non-Government Organisations is one objective of the new law on vocational education and training and the National Vocational Education and Training Council. While waiting for the new law different schools have established in the meantime partnerships with other parties. One example is the Beqir Cela high school in Durres, financed by the Swiss Contact Foundation, which supported the region's small businesses, devised the new curriculum and trained the teachers. It also created a handicrafts association and generated good relations between schools and enterprises. This brought pupils closer to the labour market and means that 50% of them will find a job directly after finishing school studies. Another example is the participation of representatives from the enterprises involved in final examinations, etc.

Youth unemployment in Bulgaria[7]

1. Socio-economic background

Since 1990 Bulgaria's socio-economic development may be described in terms of economic crises, a drop in production and a lower gross domestic product, a high level of inflation, slow privatisation processes, weak investment activity, low incomes and reduced purchasing power for the population. Restricted international markets for Bulgarian goods, the population's lower purchasing power and limited real consumption have led to decreased production and less demand for labour.

In 1997 a currency board took effect in Bulgaria. This allowed an overall stabilisation of the economic system and the period 1997 to 1999 can be characterised by a stable financial environment, decreasing inflation and encouraging - albeit still low - economic growth.

The development of the labour market in Bulgaria follows the main trends and processes in the development of the economy: restructuring of branches and industries; privatisation of large state-owned enterprises; liquidation of ineffective and loss-making enterprises and industries; and closure of traditional activities and opening of new ones, etc. Loss of markets, lack of raw materials, and an insignificant level of foreign investment and capital accompany the economic development.

As a result, the development of the labour market has been characterised from the beginning of the transition by a significant excess of workforce supply over workforce demand. For example, the annual average of registered unemployed in the labour offices is 527 100 people for 1999 (an unemployment level of 13.8%), while there are 144 300 registered vacancies. Bearing in mind the data from the labour force surveys carried out by the National Statistical Institute which provide a record of unemployed people who are not registered in labour offices we can say that pressure in the labour market is even greater. In November 1999 the number of unemployed and people actively job-hunting was 576 900 and the level of unemployment 17%.

Economic processes in the country and unfavourable demographic trends mean that economic activity is decreasing, overall employment is continuously decreasing, and unemployment remains relatively high. After the drastic increase in unemployment to 814 700 people in 1993 and the subsequent drop to 488 700 in June 1996, since the end of 1996 there has been a new trend towards a gradual increase in unemployment, which reached 576 900 in 1999.

2. Youth unemployment

In 1999 young people aged between 15 and 24 represented 17.6% of all people aged 15 and above, 11.1% of the country's labour force and 8.5% of those in employment. The trends observed in young people's participation in the labour market are alarming (see Table 3). The percentage of young people in the total labour force has decreased from 13.8% in September 1993 to 11.1% in November 1999. There is a downward trend in the activity rate of the group: from 43% in 1993 to 31% in 1999. The main reasons for this are unfavourable demographic development, the high rate of emigration among young people and current economic processes.

Where employment is concerned, the number of young people employed has decreased from 280 300 in 1993 to 237 700 in 1999. The employment rate has also dropped: from 22.8% in 1993 to

7 Authors: **Iskra Petrova**, Human Resource Development Centre, Bulgarian National Observatory; **Antoaneta Voikova**, Ministry of Education and Science; and **Greta Dobreva**, Ministry of Labour and Social Policy.

19.6% in 1999. The percentage of people outside the labour force is also very high at almost 24%. The fact that almost 25% of the total economically inactive population consists of young people is cause for apprehension.

Table 3: Young labour force

Indicators	September 1993	November 1996	November 1997	November 1998	November 1999
Young people in the labour force (%)	13.8	11.8	10.9	11.3	11.1
Activity rate (%)	43.0	31.7	31.6	32.4	31.0
Employed (000)	280.3	258.9	248.0	252.1	237.7
Employment rate (%)	22.8	21.1	20.3	20.7	19.6
Unemployed (000)	248.8	130.3	139.4	141.5	138.0
Unemployment rate (%)	47.0	33.5	36.0	36.0	36.7
Young people not in the labour force (%)	22.8	24.9	25.1	24.1	23.9

Source: Labour Force Surveys, National Statistical Institute

Although the percentage of young people in the total unemployed population has declined during the period, the level of youth unemployment remains high. In November 1999 the percentage of young unemployed to all unemployed was 23.9%, or 36.7% of the young labour force.

Stagnation both in the economy and the labour market leads to periods of unemployment lasting more than a year: 53.8% of the unemployed are long-term unemployed. The percentage of young people among the long-term unemployed totals 20%. In all, 45.1% of the total young unemployed (those aged 15–24) have been without a job for more than a year. The negative consequences that flow from youth unemployment include losses both to society, which receives no return on its investment in educating and training young people, and to young people in socio-economic and personal terms.

In addition to long-term unemployment among young people, another negative effect on the labour market is the high percentage of young unemployed who become unemployed straight after graduation from school or university. The labour force survey carried out in November 1999 indicated that 29.2% of the total youth unemployed were jobless straight after graduation. The figure for those without a job after finishing compulsory military service was 25.5%. When this indicator is added to the 29.2% for school and higher education graduates, we see that almost 55% of the young people who have graduated/finished military service make their first appearance in the labour market as unemployed.

These factors, together with data on youth unemployment by level of education, indicate that one of the main reasons for unemployment is a lack of practical experience and a mismatch between the knowledge and skills gained during education and training and the requirements for starting a job. The tendency for unemployed youth to be unqualified remains relatively strong: 67.3% of all young unemployed (64% in 1998) lack a qualification, while 59.4% (57.6% in 1998) have had only basic and lower education[8].

8 Data from the National Employment Service.

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3. *Access to education and training*

Education and vocational education, and training in particular, are the prime instruments in -and motivation for - economic and social change and development in Bulgarian civil society. The vocational education and training system must answer the needs of the information society. **The main objective of the vocational education is self-fulfilment for everyone through the provision of life-long quality education and training.** This goal can be realised by establishing the priorities of vocational education: free access; high quality; and high efficiency.

Vocational education and training must support people in their struggle against social exclusion and inequalities in social status; it must create conditions that will prevent young people from leaving school prematurely and be used as a weapon against the unemployment of young people. It should also enable people to achieve both a certain level of education and qualification and a life-long retraining for a particular vocation.

To meet changing labour market needs and provide high-quality vocational education and training, the new curriculum includes such specialisations as entrepreneurship, management, company law, information technology, business-communications, health and safety at work, and ecology.

Vocational education and training can be developed effectively only if there are conditions for social dialogue, adopted and supported by everyone. To be acceptable and to meet the new and challenging conditions in the changing business environment, the schools need to use the knowledge and experience of other social partners in order to increase the involvement and the influence of the employers in the provision of practical experience to students or higher qualifications to teachers, and in the drawing up of vocational education and training standards.

The vocational education and training system in Bulgaria is organised in accordance with the requirements of the Vocational Education and Training Act.

This Act, legislated in 1999, makes Bulgaria one of the few European countries to have such special legislation. It represents a normative basis to be accepted as an improvement on the Bulgarian vocational education and training system. On one hand it is a means of keeping the traditional education system where its achievements and experience are still valid; on the other hand, it offers a means of measuring Bulgarian vocational education and training against European standards in accordance with the requirements of the labour market in the developing market economy.

Vocational education and training ensures that students acquire both the general secondary educational minimum and a vocational qualification. This means that they should complete vocational schooling successfully as well as obtain a general education and training which is equivalent to general education provided in secondary schools. There are no barriers to prevent them from continuing their education and entering university, college or other institutions.

The main objective of the vocational education and training system is free access to the vocational training, no matter what the student's age or level of education.

The vocational training ensures the acquisition of a vocational qualification, as well as the upgrading of that qualification. The established vocational education and training qualification programmes guarantee practical free access to everybody, as well as the ability to make their own choice of a vocation and career development in accordance with their personal interests, skills, motivation and values. Everybody is also entitled to opt in or out of training and to take part in life-long education and training in the workplace.

A training module approach operates for 18 different vocations including economic programming, construction and technology, tailoring and design, baking, electronics and technical work. It also

provides basic training at the beginning of the course, which leads on to the more specialised qualification. The training module approach has been implemented in 46 schools in all. This form of education helps students to acquire a new vocational qualification (or part thereof) in a shorter period of time.

As a result of the overall policy in vocational education and training the Ministry of Education and Science has done a good deal in recent years, as the following list indicates.

- A new programme documentation package (new curricula) has been implemented, for occupations of strategic importance for changes taking place in the economy (economics, banking, trade administration, insurance, etc.). The emergence of new specialisations - particularly in management, commerce and computer sciences - has brought about changes in curricula.
- A modular curriculum has been implemented in post-secondary education.
- A system of post-secondary vocational programmes has been developed within the secondary education system in response to the demand to bring schools into line with social and market needs. (This has been achieved with foreign assistance.)
- The list of occupations for training in school has been updated in order to meet both the challenges of a market economy and students' demands.
- The network of private vocational schools and training enterprises in specific areas for which there is current demand and new programmes for retraining (mainly unemployed) adults have been developed, and a modular approach implemented.

4. *Employment measures for youth*

The creation and implementation of opportunities offering equal access to education and vocational training to all social and age groups is an important feature in education and employment strategy and in activities related to European integration, given that every citizen is to achieve the maximum vocational and occupational employability in the future.

Bearing in mind negative trends in the labour market and the necessity to develop a quality labour force, the following measures and programmes for enhancing employment have been implemented.

- For unemployed youth: encouraging employers to recruit young people.
- To facilitate the transfer from school to work: job placements for young people and children from orphanages (thereby including orphans who have graduated from secondary education as an outcome of the agreement for cooperation between the Ministry of Labour and Social Policy and the Ministry of Education and Science).
- Programmes in vocational guidance, vocational training and job placement for unemployed people up to 29 years of age without job experience.

Labour market policy is directed at increasing employment and providing a well-functioning labour market which will guarantee a higher level of employment among the working-age population and achieve an overall improvement in the labour market situation and in particular increase the job opportunities for young people.

At the same time, where implementing the policy in relation to young people is concerned, efforts are aimed at their social and economic integration and at protecting their position by encouraging employers to recruit them by means of labour agreements and specialised training programmes and/or employment.

One of the priorities of the National Economic Development Plan 2000–2006 is the provision of a basic vocational qualification which will guarantee valuable employment, training for the acquisition of key qualifications and the provision of employment for socially disadvantaged groups in the labour market, including young people.

To increase equal opportunities for labour market access, new measures and programmes designed to encourage young people to participate in the labour market are envisaged. Examples are the Social and Economic Integration of Young People programme for containing unemployment and reducing its duration among young people up to 28 years of age; specialised methods of capacity-building and encouraging self-employment and job placements; and a programme for students who have dropped out, supporting their return to school and vocational training or starting a job after education or vocational training (the programme will be carried out in cooperation with employers' organisations and by introducing suitable ways of organising and handling training).

The National Strategy for Human Resource Development 2001–2006 looks forward to the creation and implementation of the following series of programmes and measures:

- programmes for the vocational training of people aged over 16, with a view to enhancing employment;
- investments in the labour market and in vocational training, with a view to improving the skills and qualifications of the labour force in line with the restructuring of the economy; and
- programmes for the acquisition of literacy, qualifications and employment, with a view to providing equal opportunities on the labour market.

In 1998, the Ministry of Labour and Social Policy and the Ministry of Education and Science signed an agreement for cooperation in the area of employment and qualification policy, the main objective of which was to establish operational and preventive measures influencing national labour market processes. This agreement envisages common actions and responsibilities in relation to vocational education and training policy, as a factor determining labour market status. Among the immediate objectives of the agreement is meeting the national labour market needs and more specifically, outlining concrete measures promoting the rapid employment and social integration of youth groups at risk.

In 1999, a supplement to the agreement (Annex 1) was signed, with a view to supporting the social integration and vocational and occupational employment of young people from orphanages. On this ground, the Ministry of Labour and Social Policy developed a draft national programme for the **social integration and vocational employment for young people from orphanages**. The main objective concerns the public responsibility to support young people from orphanages as they enter life outside school and after graduation and provide for their employment and education as independent individuals who are able to work effectively and thereby develop and provide their own income.

Changing demands on people, both as individuals and as part of the "human resource" in general, call for an increasingly adaptable labour force achieved through continuing vocational training. As a primary factor in human resource development and an adaptable national labour market, the continuing provision of vocational training influences the provision and development of the labour force's adaptability. As a result, the following initiatives are planned:

- involvement of unemployed young people in training to acquire basic and key qualifications; and
- development and provision of active and efficient measures to relate training to practice, including internship, on-the-job training, apprenticeship and modified forms of sandwich courses, etc.

As a response to the new challenges, it is necessary to increase the adaptability and mobility of the labour force, while matching the vocational qualification level of the unemployed to labour market needs, facilitating the transition of young people from school to work and - last but not least - supporting their employment and integration. All this will open up opportunities for achieving a balance between labour market supply and demand and reducing the negative impact of unemployment.

Youth unemployment in Bosnia and Herzegovina

1. Socio-economic background

Among the many ways in which Bosnia and Herzegovina suffered devastation during the 1992–95 war, the severest was unquestionably the large number of dead, war invalids, refugees and displaced persons. Such a huge loss of human resources has had a direct impact in terms of decreasing reconstruction capability and the country's competitiveness. The population of Bosnia and Herzegovina is currently 3.65 million, compared to 4.37 million in the 1991 census. An additional, aggravating factor in human resource development is that the problems caused by economic rehabilitation and development in almost every sector allow today's working population very restricted possibilities for employment.

Two direct consequences of the war are first an extremely high unemployment rate which, by late 1995/early 1996, was about 75% and, secondly, a reduction in gross domestic product from a pre-war total of US$10.5 billion to US$2.2 billion. After the Dayton Peace Agreement was signed on 22 November 1995 and Bosnia and Herzegovina accepted as a member of the International Monetary Fund (22 December 1995), preconditions for the start of reconstruction were created. Between 1995 and 1998 funds were mostly directed towards housing, energy, water supply, the reconstruction of the transport infrastructure and the support of social programmes. A smaller percentage of total funds, approximately 17.5% according to statistics from the Federal Institute for Development Programming, was directed towards the economy. This concept of reconstruction resulted in employment growth and in 1999 a level of about 4% growth was achieved.

Tables 4 and 5 below provide data on unemployment rates.

Table 4: Estimated unemployment rates (lower and upper level narrower and broader category) Bosnia and Herzegovina, 1991

Description	Total number (000)
Population of Bosnia and Herzegovina (1991 census)	4 377
Population aged 20–59	2 404
Total working population	1 882
Officially employed	1 308
Registered unemployed	353
Registered and unregistered unemployed	504
Lower narrower unemployment rate	18.75%
Upper broader unemployment rate	26.78%

Source: UNDP, Human Development Report: Bosnia and Herzegovina 1998, p.68.

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Table 5: Estimated unemployment rates (lower and upper narrow and broader category) Bosnia and Herzegovina, 1998

Description	Federation BH (000)	Republic of Srpska (000)	Bosnia and Herzegovina (000)
Population (1998 estimate)	2 250	1 392	3 642
Population aged 15–64 (estimate)	1 500.5	907.2	2 407.7
Total available workforce	872	528	1 400
Officially employed	407	202	609
Registered unemployed	249	143	392
Workers on waiting lists	70	45	115
Registered and unregistered unemployed	465	326	791
Lower narrow unemployment rate	28.65%	27.08%	25.16%
Upper unemployment rate (including workers on waiting lists)	36.58%	35.61%	36.21%

Note: The table shows estimated unemployment rates for 1998, according to UNDP sources.
Source: UNDP, Human Development Report: Bosnia and Herzegovina 1998, p.70

This estimate acknowledges the fact that workers from waiting lists had been officially registered as employed. However, since this category included people not needed at work whose companies were nevertheless obliged to register them as employed, the people on waiting lists have been included here in the unemployed category.

Unemployment is also fed by counterproductive legal solutions incorporated into the labour law that has been adopted recently. For example, Article 143 of this law allows persons who were employed before the war to apply for a return to their pre-war job. If there is no actual need for such work, Article 143 stipulates that companies/employers must provide financial compensation to applicants. The pre-war employment structure cannot be compared to today's and in most cases companies lack production capacity, especially in industry, construction and transport. General insolvency throughout Bosnia and Herzegovina, connected to the permanent lack of adequate working capital, especially to finance medium and long-term investments, obstructs any stimulation of investment.

2. *Youth unemployment*

From the perspective of any possible growth in productivity, the fact that the largest number of registered unemployed are aged 21–25 and 31–35 is a particularly critical factor[9]. A tendency toward growing unemployment like this is a typical example of a clash between the short-term objectives of a country in transition and a country destroyed by war.

9 Study by Dr Ilijas Bošnjović and researchers: 'Demographic changes in Bosnia and Herzegovina 1991–1998', in *MBF*, Document 1: 'Return of refugees and displaced persons as a precondition of survival of Bosnia and Herzegovina', Sarajevo, January 1999

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Of those graduating from secondary schools and universities and just leaving the education process, the 95% who have no possibility of finding an adequate job accounted for 65% of all unemployed. More than 38% of all unemployed are demobilised soldiers, invalids from the war and the families of dead soldiers[10].

Because of the war, many highly qualified young people, especially those who had been employed in companies that were agents for development in Bosnia and Herzegovina and which had invested significantly in research and development, have left the country. The general drop in the country's technological level after six years of non-investment, together with a draining-away of highly qualified and creative persons, have caused a general drop in the competitiveness of companies in Bosnia and Herzegovina in comparison both to close and more distant neighbours, while the trend towards a brain-drain in technical and natural sciences has continued after the war. According to Dr Bošnjović[11], the number of emigrants from Bosnia and Herzegovina had risen to an alarming 42 000 in 1996–98. What makes the situation even worse is the fact that 95% of emigrants and their families are highly educated while, among the total of working-age emigrants, 75% are less than 40 years of age. This trend, there is no doubt, is the severest threat to the creation of the preconditions necessary for competitive advantage.

The trends that have been described above are a logical consequence of the disorganised nature of the transition process, which is expressed most clearly in the uneven deployment of human resources. A good example is that there are at present employment possibilities for highly educated persons up to 40 years of age. Because many international organisations opened offices in Bosnia and Herzegovina, relatively good employment opportunities for younger, highly educated people with knowledge of foreign languages have opened up. This is fortunate for the employment rate and current income levels, but it also means that a relatively high percentage of those people perform work that is not at all connected to the original vocation for which they had been educated. In this way their original knowledge is getting outdated, while their salaries (in the short term) are getting higher. Seen broadly, Bosnia and Herzegovina will lose its existing potential in the absence of a serious policy of human resource management.

The part played by the vocational education and training system in protecting young people from unemployment is very limited. The system shows inflexibility in preparing young people appropriately for the labour market. In 1999 for example, the greatest number of graduates was in mechanical occupations, despite the fact that the mechanical industry was destroyed by the war. On the other hand there is demand for computer specialists in production and in the trading of goods and services, for skilled people in business and telecommunications and for English language skills. Accordingly, the vocational education and training system should meet these skills needs.[12]

3. *Employment policies and youth*

Given that the labour market in Bosnia and Herzegovina actually consists of ten independent cantonal markets, it follows that economically weaker cantons are and will be in greater difficulties than their economically stronger neighbours and that unemployment problems will be diverse and distinct. The Office of the High Representative (OHR) has initiated a process for formulating a law on the functioning of the labour market. It will mark the beginning of standardisation and will lead to the integration of the markets. It will also build a support system for disadvantaged areas and social and ethnic groups and protection from discrimination at the state level.

10 National Observatory report 2000 (forthcoming)

11 see footnote 9

12 National Observatory report 2000 (forthcoming)

The public employment services have good pre-war experience in active and passive support measures but they have very poor resources at their disposal for their development and implementation. Against the high unemployment rates presented above, the unemployment insurance contribution (2% of income in the Republic of Srpska and 3% in the Federation) is only a drop in the ocean. Active measures covered only 9% of the unemployed in 1998 and 5% in 1999. Under passive measures, only 1.8% of the unemployed in 1998 and 2% in 1999 were entitled to unemployment benefit. People who have never worked, who have had a long gap since they last worked or who have exhausted their compensation/insurance rights, have no right to social health or any other kind of insurance.

Within this general context young people do not benefit under any specific employment policy or measure and often are even excluded from measures that apply to other categories of unemployed people.

At the time of writing there is an acute need to develop a national employment strategy and a plan supporting both employment in general and of young people.

4. *Access to education and training*

Within the context of the general economic and labour market, a very important problem is the education system and access to it. Preliminary analysis shows that the numbers included in primary and secondary education have dropped significantly. In 1991, the percentage of the relevant population in primary education was 98%, but by 1999 it was estimated at 82%, while the percentage of young people attending secondary school reduced from 90% in 1991 to 75% in 1999. Finally, the percentage of young people following university studies is 30% lower than in previous years. Such (very negative) trends in education have a direct effect on the general qualifications structure in Bosnia and Herzegovina.

It should be noted also that the vocational education and training system is not well organised to deal with young graduates who fail to find employment. Graduates from technical and related schools are already prepared for work. However, not only do the majority of them continue their studies because of the lack of employment prospects, they are obliged to continue their studies to higher/university education as there is no provision for them to re-enter the vocational education and training system if they need to enhance their skills or change their occupation.

Such inadequate provision also affects the young dropouts who, if they wish to resume their studies, can only do so on a part-time basis and must pay for their studies.

Economic crises, a high rate of unemployment and the transition process have all affected the emergence of a rudimentary form of labour mobility. For example, some areas of the country such as Tuzla and Zenica, which had predominantly based their development on basic energy production in the pre-war period, have been the most badly hit by the loss of markets (in the former Yugoslavia, former socialist countries and developing world). The population of these areas had been oriented towards industries such as steel working and mining for decades, and such links make any flexibility of the labour force in these areas very weak.

5. *Concluding remarks*

The general level of any culture of work, education, qualifications and workplace discipline is very low. The level of work culture is especially evident and attitudes inherited from the socialist system - that workers are entitled to a job, that they must influence management decision-making, etc. - are one of the biggest development obstacles. Problems caused by inadequate education and incompetence are to be found, unfortunately, even in top management. It is, however, a quite logical consequence of the way directors are chosen nowadays, since most of them have been elected for their political loyalty and not because of their professional qualities.

The process of privatisation is supposed to contribute to the development of the market for goods and capital, as well as the labour market, while the gradual development of a capital market should enhance the development of a managerial market. However, the serious problem connected with this process is that it is taking place in a period of total insolvency, when relatively big barriers, both formal and informal, hinder foreign investment and there is no adequate regulatory arrangement or coordinating development policy at the state level. All these factors affect the development of an alternative, grey market for goods, labour and capital, with far-reaching negative effects. The problem of "development without concept" is that informal groups whose sources of economic wealth originate from the war or from post-war irregularities have been formed. This degrades the society's basic values system. Under such circumstances, the resulting orientation towards short-term profit deflects the concentration of human resources into sectors, which could have been the basis for long-term, sustainable development of the country.

Today the country faces a transition and privatisation process that opens up a number of possibilities for economic development. However, this must be done in a carefully orchestrated way in order to achieve a long-term, sustainable rate of economic growth and employment. A national employment strategy must also be developed and supported so as to combat high levels of unemployment. Finally, large-scale reforms in the education and training system are necessary if the skills and knowledge that young people thereby acquire are to be brought closer to the needs of the labour market.

Youth unemployment in Croatia[13]

1. *Socio-economic background*

In Croatia restructuring, privatisation and other transition processes took place in parallel with an aggressive war, as a consequence of which industrial, infrastructure and cultural resources were either destroyed or devastated and economic growth considerably slowed.

In addition to war damages, Croatia also faced enormous costs in providing care for the categories of people dependent on social support: refugees and exiles, wounded and disabled people, single parents and children without parents and finally, the unemployed, mostly young people and including a special group comprising demilitarised young soldiers.

As a result of the war and the transport blockades which persisted for many years, tourism – one of the country's key economic supports – was brought to the brink of extinction. The adverse effects of this situation and the impact on unemployment among young people along the long Croatian coast need no more be explained than the negative effect of millions of non-activated mines on the unemployment of young people in rural areas.

Under these circumstances, and with the average price of creating a new job amounting to about US$25 000, Croatia lacks the US$10 billion that would enable it to settle its unemployment problem. Not possessing, however, the critical mass of financial resources that could be utilised for economic growth, Croatia is forced to proceed with additional indebtedness and/or foreign investment, which makes unemployment a long-term problem and a basic economic, social and political issue in the country.

For all these reasons the attempt (for all that it was frankly inadequate) to introduce entrepreneurship knowledge and skills into educational programmes (both through the regular education system and as part of experimental programmes in cooperation with the Ministry of Economy and with NGOs) failed to produce the desired and expected results.

2. *Youth unemployment*

Since the early 1950s, when the public employment service was founded and Croatian labour market screening started, surplus labour always remained a major and pressing economic and social problem. Unemployment in Croatia is a long-term phenomenon that resists all reforms, reorganisations, legislation programmes and the like. Typically, during the pre-transition period, the Croatian labour market showed a simultaneous increase both in employment and unemployment. This indicated an additional supply of labour, which was in some periods partly solved by a rather large number of emigrants, particularly young people, from Croatia. During the transition period, economic hardship (caused above all by war) had two powerful effects on the Croatian labour market, causing a drastic drop in employment opportunities and a drastic growth in unemployment.

Since the early 1980s, labour market trends have been continuously unfavourable in Croatia. Within the period 1990–99, the average yearly unemployment figure rose by 161 000 persons (or 100.4%) and the unemployment growth rate rose from 8.2%. to 19.4%. According to the most recent data, a total of 356,226 persons registered themselves at the Croatian Employment Service as unemployed

13 Authors: **Nada Kerovec**, M.Sc. Croatian Employment Service, and **Narcisa Vojnović**, M.Sc. Ministry of Education and Sports.

in April 2000. The rate of registered unemployment growth was thus 21.7% in March 2000. Of this number, 102 286 (or 28.7%) were young people aged between 15 and 24.

However, one should not fail to mention that, apart from the data on the registered unemployed, the Central Bureau of Statistics provides data on those unregistered by conducting the Labour Force Surveys since November 1996. The latter data differ significantly from those provided by administrative sources. Thus, according to these data, in the second half of 1999 in Croatia there were 251 000 unemployed persons and the unemployment rate was 14.5%. Of this number, 95 000 (or 37.8%) are young people aged between 15 and 24, at an unemployment growth rate of 39.2%.

These days Croatia has been reduced to large-scale unemployment which certainly affects the whole population. However, some sections are hit more heavily than others – above all, young people below the age of 24.

Since in the pre-transition period there had been practically no lay-offs at all, the structure of the then-unemployed sector had some very specific features: most (no less than 60%) of the unemployed were young people aged below 25[14] who were first-time job-seekers. However, the transition period introduced significant structural changes. In 1990 young people's share of unemployment was 46%; by late 1999 it was 30%. Furthermore, in the above 10-year period, total unemployment doubled whereas youth unemployment rose by no more than 15%. One of major reasons for this might be the unfavourable demographic trends of late 1960s (low birth rate; natural depopulation across a large territory; young manpower emigrations and the like) which continued in Croatia. Another explanation for these developments is economic. As a result of a considerable number of business closures and bankruptcies, a mass surplus labour force of older people registered as unemployed at the Croatian Employment Service.

The decline in the youth unemployment rate does not necessarily indicate a more favourable position in the labour market for this category. Indeed, the situation is entirely the reverse. The inferior status of young people in the labour market is clearly demonstrated by the unemployment rate. According to Labour Force Survey data, between the first and second six months of 1999, the category of persons aged between 15 and 24 saw the highest unemployment growth rate (33.8 and 39.2% respectively), whereas for the total population the rate was 12.6 and 14.5% respectively.

Regarding the structure of the category, about 51% of young people are female; some 89% are unmarried; 9% are parents: 59% have no previous work experience; 36% are unemployed for more than a year; and more than 90% come from the non-agricultural and 51% from the urban population.

With regard to the educational background of young people: 13.9% are unskilled workers; 5.4% are semi-skilled; 46.3% are skilled; 31.8% are secondary school diploma-holders; 1.4% are non-university graduates; and 1.2% are university graduates. Thus, more than 80% of young unemployed people are secondary school, non-university or university graduates. Compared with overall unemployment, youth unemployment is characterised by short-term unemployment: 64% of unemployed people aged 24 or below might be categorised as short-term (not longer than one year) unemployed. However, the fact that even 7.1% of young people spend more than three years looking for a job is cause for major concern. (By way of comparison, the figures for the same issues among the total population are 49.7% and 19.8% respectively.)

14 Until 1994, the category "young people" covered by the statistics on unemployed persons registered with the Croatian Employment Service included people aged between 15 and 25; since 1994 this category has included the 15 to 24 age group only.

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3. *Youth employment initiatives*

Active employment policy is a long-established tradition in Croatia. One should not fail to mention that as early as the 1950s, the Croatian Employment Service introduced selective measures to encourage the employment of particular target groups among the unemployed (mostly women, persons with reduced capacity for work and those with a poor educational background). Since youth unemployment had always been a pressing problem in Croatia, which had a large total of unemployed, the Employment Service – and above all its regional offices – developed problem-solving strategies consisting of measures to promote the employment of young people on sponsored traineeships. The employment offices implemented some selective measures, such as those focused on young job-seekers, among the surplus occupational groups who lacked work experience.

This type of active employment policy incentive for young people was more or less present in the Croatian labour market throughout the period from the 1970s to early 2000. In February 1998, the House of Representatives of the Croatian Parliament adopted the National Employment Policy and entrusted the Government of the Republic of Croatia with devising and implementing a programme of incentive measures for job creation that year. Among other measures, the programme included one designed to improve young job seekers' opportunities to find work and receive training. The target group included newcomers in the labour market, i.e. unemployed people under the age of 30 with no work experience and of whatever educational background, but on condition that they had been registered with the Croatian Employment Service for at least 30 days. During the period of subsidy the employer who provided a job for an unemployed young person under this measure was reimbursed by the Croatian Employment Service for part of the salary of the quasi-employed young person. The period of subsidy was limited to 12 months, with no legal obligation on the person to work for a probationary period or undergo on-the-job training prior to their first employment. On the other hand, for young people with a legal obligation to pass internship or undergo a State board exam, the period of subsidy was limited to the duration defined by law, but was no longer than 24 months. Within the period from June 1998 to 31 December 1999, 5 188 young persons were employed as a result of this active employment policy measure.

Furthermore, young unemployed people took part in other programmes promoting an active labour market policy, especially in those meant for a wide range of unemployed, including vocational training (both retraining and additional training), work in the public sector, self-employment and the co-financing of small and medium-sized enterprises. However, it is important to note that all employment incentive measures, including those for youth, were suspended in March 2000 as a result of the shortage of funds.

4. *Access to education and training*

Despite some very justified criticism, as a result of which the Ministry of Education and Sports has begun to prepare a development strategy for the Croatian school system, the existing school system cannot be denied certain traditional qualities which deserve to be preserved.

It is not disputed that the Croatian school system achieves a comparatively high general level of education, with a very high degree of coverage both at primary and secondary level when compared with some neighbouring countries. The whole user population also has satisfactory access to a heterogeneous secondary school programme.

At the level of elementary school, which is both compulsory and free of charge in Croatia, 98% of pupils complete their education within the usual period, i.e. by the time they are 15+. The remainder are offered quite a broad range of adult basic education, so that practically full primary school coverage is achieved. On the other hand, although secondary schooling is not compulsory it is nevertheless free of charge, so the enrolment rate in the first year of secondary schools is also pretty high, at over 95%.

Although methodologically disputable, those figures which are available point to a disturbing statistic of approximately 25% of enrolled pupils who do not manage to complete regular secondary school.

Every possible means should be sought to improve the following three areas:

- a professional assessment and selection system when enrolling pupils in secondary school;
- the monitoring of pupils' (including adults) progress and facilitating the transition from one school programme/level to another; and
- the possibility of adult education, which must be extended and made more financially tolerable, as well as stimulated to meet market requirements.

In addition to the above, the failure to bring either the structure and distribution or substantial methodological aspects of secondary school programmes into line with the projections of market needs is a considerable problem. This, however, may be justified by a demand on the labour market which is generally too low and unstable , as well as socially inarticulated long-term education needs.

5. *Bringing the education and training system closer to labour market*

The five areas outlined below show where strategic planning to bring the education and training system closer to labour market needs is most needed.

i) Adjustment of secondary school system to new market requirements

- Reconciliation of offer (kind, structure and distribution) of secondary school programmes with the developmental changes in the economy and anticipated trends in the labour market.
- Development of new career profiles and updating existing programmes in accordance with technical/technological development as well as the growing need for multidisciplinary knowledge and skills.

ii) Adaptation of the Croatian school system to European school systems

- Reconciliation of Croatian curricula with wider European standards, in order to increase the labour market competitiveness, open up to foreign markets and attract more foreign investment into Croatia.
- Provision of the required level of information technology expertise, as well as foreign language instruction, in order to achieve quicker inclusion in integration processes.

iii) Promotion of entrepreneurship and self-employment

- In the theory and practice of entrepreneurship we encounter what has been called the "gazelle" phenomenon - small and medium-sized enterprises showing expansive growth and rapidly "producing" new jobs. These development accelerators are characterised by the permanent monitoring of new skills and knowledge in a continuously changing environment, as well as by constant innovation. Croatia basically and urgently needs just such gazelles.

- A further pre-condition for the development of entrepreneurship (especially of small and medium-sized enterprises stimulated by a sequence of administrative measures) is to provide the means to acquire the knowledge and skills that support self-employment.

iv) Promotion of systematic support for the schooling and employment of young people with special health/developmental needs

- The considerable investments that have been made in rehabilitating and schooling people with health/developmental difficulties and young people harmed in war have not been sufficiently effective. If their employment rate is to rise, we should revise and improve the existing curricula. Opportunities for their employment should be supported through taxation policy and other privileges.

v) Support for gifted individuals as a means of development/accelerating new employment

- With a very limited infrastructure and inadequate financial resources, the best possible way of improving the employment prospects of young people will be achieved by supporting gifted pupils, since they are our most valuable and unjustifiably neglected resource.
- Standardised expert procedures for the early identification of gifted pupils and support programmes during schooling are needed, with systematic social support for the full development of such pupils' potential. (This would include adequate professional assessment and guaranteed access to appropriate domestic and foreign programmes, inclusive of scholarships for the exceptionally talented).
- Supporting the employment of gifted persons through a "head-hunting" process, offering them jobs corresponding to their professional potential, including systematic referrals to ministries and local authorities, public services and scientific institutions. This would also facilitate their employment in the private sector.

Youth unemployment in Montenegro[15]

1. Socio-economic background

Montenegro is the smallest and least-developed republic of the former Socialist Federal Republic of Yugoslavia. In 1999, there were 651 000 inhabitants, 621 000 of whom were the indigenous population and the remainder internally displaced persons (known as "DIPs") and refugees. The territory of Montenegro is 13 820 square km.

Although Montenegro did not suffer as much destruction in the war as some other parts of former Yugoslavia, indirect effects of the war, the break-up of Yugoslavia, and the United Nations sanctions imposed on the Federal Republic of Yugoslavia have been proportionally the greatest, except for those experienced in Bosnia and Herzegovina and Kosovo.

The 1990s have been literally a struggle for survival. The country's heavy dependence on the export and import of goods, the break up of Yugoslavia and the sanctions all had devastating effects on the entire economy. Montenegro could only export indirectly through a complex process, and at the same time it could not import directly from the world market. Many companies reduced production to 10-20% of their normal output and some ceased production completely. Those enterprises which had to export were obliged to do so indirectly via black market and informal channels, which made exporting unattractive and unprofitable. Enterprises which had to import raw materials did so in the same way, which increased the price of raw materials and consumer goods. As there was simultaneously a great need for imported goods and raw materials they became more expensive. As a result, the trade deficit increased steadily and in 1998 was around US$250 million, which constituted more than 35% of the country's gross domestic product that year.

The figures speak for themselves. In 1989, the last "normal" year in the economy of the former Yugoslavia, gross domestic product in Montenegro was around US$1 400 million. In 1999 it was estimated at US$730 million, which means that within 11 years it fell by 50%. The reduction in per capita income has been even greater, falling from US$2 308 in 1989 to $1 114 in 1999, i.e. to less than 50% of the earlier level.

In the former Yugoslavia, Montenegro was a region that depended mostly on external funds for investment and job creation. Almost its entire financial resources for investments came from external sources – the Fund for the Development of Undeveloped Regions and from foreign credits. This fund ceased to exist and the United Nations sanctions deprived Montenegro and the Federal Republic of Yugoslavia of help from international financial institutions, the Phare Programme and all other forms of multinational and bilateral help. Only humanitarian assistance was available.

Isolated and with a drastic decline in production and employment, most of the available funds had to be devoted to the import of essential foods, petrol and raw materials. Very limited resources could be directed to investment and job creation. These resources were centralised and mostly invested through the Republic's budget. Furthermore, most of the available resources were invested in maintaining the basic infrastructure, power supply and utilities. These activities have not created new jobs.

In the unstable political situation and the country's unresolved relations with the Milosevic regime, Montenegro could not proceed with privatisation on a massive scale. Also, owing to the introduction of an inappropriate model of privatisation, very limited resources were acquired from

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the sale of the most valuable small and medium-sized enterprises. The same unstable political and economic situation has meant that even the small domestic funds in the hands of local people and entrepreneurs have not been invested in the domestic economy.

Conditions in the labour market, especially the demand for labour, were far more influenced by the difficult general economic conditions than by changes in the system and restructuring of the existing enterprises. In fact, the real process of restructuring and hence the consequences of this process for the labour market and employment has not started yet. This means that the worst employment/unemployment situation is yet to come.

Although Montenegro is a small country, regional disparities in the level of development have been and still are quite large. Generally speaking, Montenegro can be divided in two parts: the less developed northern part and the more developed central and southern part. Prior to 1990, ten out of 21 communes were officially designated "less developed". The less developed communes are situated in the northern, mountainous part of the country. They have little industry and depend chiefly on agriculture. During the 1970s and 1980s a special fund was set up by the Republic to finance a range of programmes in these communes. However, most of the resources from the fund were spent on building essential infrastructure, covering losses sustained by existing enterprises and on other forms of support. Although resources from the fund could be used for human resource development and training, very little was invested in this way.

2. *Youth unemployment*

With regard to employment and unemployment, the 1990s were characterised by a substantial reduction in official employment and a dramatic increase in unemployment. Between 1989 (the last "normal" year in the economy of the Former Yugoslavia) and 1998, total employment in Montenegro fell from 168 510 to 147 233, a reduction of 21 000.

In the period 1991 to 1999, registered unemployment in Montenegro rose from 46 451 to 79 800, an increase of more than 70%. In the period January–March 2000, it increased by more than 3,000: from 81 295 to 84 855.

Some predominant features of Montenegro's unemployed include:

- young, with no work experience;
- hard core, long-term;
- educated;
- obvious and urban.

In 1999, young people aged 25 or younger numbered 23 625 or 27% of the unemployed total. If we add to this figure those aged between 25 and 30 – which is appropriate since the great majority of these people never find a job – the percentage of young unemployed is running at more than 44 000, or over 53%. In the same year 47 000, or nearly 60%, lack any work experience. Also, the majority of the unemployed (74%) are those who have been waiting for employment for longer than a year, i.e. they are long-term, hard-core unemployed.

Although people without any education or with a low level of education still constitute a high number (30 414) and a high percentage (38%) of the total unemployed, in 1999 (49 386) or more than 61% have had secondary and higher education. Furthermore, 4 323, or more than 5%, have had a college or university level of education. These are not uneducated people.

Although it is not true to say that there is no disguised unemployment in agriculture in the hilly, remote rural areas (especially within poor families with little arable land and with a greater number of children), at present this is not a very serious problem. The most serious unemployment problem in Montenegro is those who live in the larger cities, who have education but little training.

With Montenegro at the initial phase of the reform process, unemployment has not yet reached its height. Further privatisation and restructuring of the big state enterprises will further aggravate the problem. Many factors and reasons have contributed to the sharp increase in unemployment. They can be divided between those on the supply and demand side, those of a long-term, systemic nature and those related to temporary economic conditions.

On the demand side it is evident that not enough jobs have been created. This is due to huge economic difficulties, but also to the socialist system which was based on a single-party state and the common ownership of property; the non-existence of a labour market and a dogma of full employment; inadequacies in development strategy, available technology and distribution of income; and a low priority given to the problem of employment and unemployment. The biggest contributors on the supply side have been excessive rural-urban migration and too great an emphasis on formal education at the expense of informal education and training.

Montenegro's structural unemployment has been quite pronounced. Despite the great supply of educated young people, the major demand has been for manual workers in agriculture and other primary production areas. Furthermore, in the traditional society that Montenegro has been, when young people leave the countryside to get a qualification in the city, a big majority are not prepared to go back to the country to do farming. This is the main reason why, in 1991, the population in the agricultural sector was only 7.5%, i.e. it resembled developed West European countries or Japan where per capita income is at least 20 times higher than in Montenegro. Villages are mostly inhabited by old people with no interest in improving production. Shortage of an able and motivated labour force has been the main cause of agricultural stagnation, a growing deficit and rising prices.

3. *Access to education and training*

Montenegro, although an undeveloped country, has put a strong emphasis on formal education. Primary education covers very close to 100% of young people; at the secondary level coverage exceeds 90%; and at university level it is more than 40%. Over the past 30 years nearly 5% of the gross domestic product has been devoted to education and training. However, most of these resources have been spent on formal education and very little on informal education and training. Due to the over-expansion of formal education, especially at the highest level, and the collapse of the formal economy there are too few places for proper training. Montenegro's labour force, especially the young, is formally well educated, but too narrow . The drop-out rate, in comparison with other countries, is still quite low, although it has been most pronounced in primary education in the remote rural areas. To reduce the illiteracy rate among rural youth, the State has imposed financial punishment for the parents. In practical terms there are no other preventative measures or ways of stimulating young illiterates to go to school.

Reform both of education and of the vocational education and training system has not received much attention[16]. Only recently, when the reform process started to gain momentum, did educational reform start to attract more notice. It is worth emphasising that international experts and discussions within the Stability Pact for South East Europe have considered that human resource development and vocational and educational training reform should be included in the reform priorities.

Discussion and work on the reforms are at the initial stage. Only at the end of 1999 did the Employment Bureau of Montenegro order a study to investigate the state of adult education and training. The situation is very similar where the role of the social partners in vocational and educational training reform is concerned and the first serious discussion took place in a workshop on "social partnership" organised by the Ministry of Education and the Employment Bureau at the beginning of June 2000. In that workshop, different social partners recognised the importance of reforming vocational and educational training, stressed their readiness to work together and agreed to step up the pace of reform. However, for the majority of the population in Montenegro, even for most Government representatives, this is still a new era. Domestic and foreign experts still need to concentrate on raising awareness and much more effort is required to start real educational reform, especially in vocational and educational training. In this respect the experience of other countries and help from the international community (especially of the European Training Foundation) is of great importance and on behalf of the Government of Montenegro the authors welcome cooperation.

4. *Special employment measures*

The most important special employment measure has been the self-employment programme, initially launched in 1991. Around US$20 million have been devoted to the programme, although most of the funds have been allocated to the displaced workers. For the young unemployed it was very difficult to get loans, in addition to which inflation increased steadily in 1992 and 1993 and most of the funds were devalued. Finally the programme ended up as a social measure aimed at easing social unrest.

There have been two additional attempts to revitalise the programme and establish it as permanent. The conditions for getting loans have been relaxed in such a way as to allow young unemployed people to apply for and obtain a loan. In the meantime, both the organisation and the implementation of the programme have been improved.

In the past two years the unemployed have shown great interest in the programme. Through it, some 1 200 unemployed have secured jobs and a further 4 000 business plans have been prepared and submitted to the Unemployment Bureau of Montenegro, which is responsible for implementing the programme. Through a similar programme implemented by the Development Fund of Montenegro a further 1 200 new jobs have been created in two years.

In practice the self-employment programme is subject to two constraints: first, the funds available for it are limited and secondly, the quality of the proposed business plan is poor, which in practice means that unemployed people are without proper knowledge or training. Most of the business plans submitted have been in primary agricultural production, with very few in processing. Also, only a very limited number of the neediest unemployed could meet the conditions necessary to get loans.

16 Authors of this paper are among the few in Montenegro who have stressed the need for educational reform, especially reform of vocational education and training. These views have been stressed in several studies, especially in 'Instituticionalni mehanizmi podrske razvoju MSP u Crnoj Gori' ('Institutional mechanisms for support of SMEs in Montenegro'), Ekonomski fakultet–Centar za mala i srednja preduzeca i preduzetnistvo, Podgorica, 1993; and 'Uloga Zavoda za zaposljavanje Crne Gore u trzisnim uslovima' ('The Role of Montenegran Employment Bureaux in the Market Economy'), Ekonomski fakultet–Centar za mala i srednja preduzeca i preduzetnistvo, Podgorica, 1995.

In the past two years additional funds for self-employment have been available from the foreign partner Alter Modus (previously the Danish Commissariat) and Majcrocredit Montenegro (Opportunity International), but conditions for receiving funds from these sources have been difficult for the young unemployed.

All political parties and officials have accepted entrepreneurship as a main driving force in development. However, excluding the self-employment programmes, very little concrete action has been taken to promote it. In order to stimulate entrepreneurship at different levels, the authors have proposed comprehensive measures in several studies and articles. These recommendations included institutional changes both at Republic level and within local authorities. A whole spectrum of measures has been recommended for all levels of education, especially vocational education and training. However, only limited changes have been introduced at the Faculty of Economics and the Business School in Podgorica. Very recently several seminars on how to start a business have been organised. But the purpose and content of these seminars have had more to do with awareness-raising than with any serious attempt to train entrepreneurs.

The only bright spot in the very dark economic landscape of Montenegro has been the sharp growth of small and medium-sized enterprises. However, although their development in terms of the number of new enterprises and their share of the entire employment field in the past 10 years look quite impressive, their importance should not be over-emphasised since it has not been matched by an increase in new employment. Furthermore, a great number of small and medium-sized enterprises have been established through the transfer of resources from existing (unprivatised) social/state enterprises and most of them were set up not as a consequence of the internal need of able, indigenous entrepreneurs for success but much more as a attempt to secure some kind of employment and a minimum standard. The vast majority of small and medium-sized enterprises in Montenegro are micro-enterprises, employing just an owner with no additional employees. Very few of these enterprises have grown in any way, which means that their contribution to new production and new employment is very limited. Nor have many of these enterprises any internal potential for substantial growth, which means that it is unrealistic to expect them to generate substantial employment in the near future.

To increase employment in the sector, one must work simultaneously on two levels: first, on a "birth" strategy, which means creating the preconditions that will increase the number of small and medium-sized enterprises; and secondly, on a growth strategy, which means creating conditions to help stimulate as many as possible of the existing enterprises to grow.

To empower both strategies and to increase employment in the sector it is essential to pay much greater attention to the reform of vocational education and training. In fact, vocational education and an improvement in training are essential prerequisites in increasing employment in every sector of the economy.

In the past few years the Employment Bureau of Montenegro has been running a regular programme for young people to gain work experience and on-the-job training. It is basically meant for the young unemployed who have higher education. It usually lasts for a year and is financed from the national budget. Around 200 young unemployed benefit from this programme each year.

A similar work experience and on-the-job training programme has been developed for the most talented students, who in fact qualify automatically if they have an average mark of "A" or above. In the six years since the programme began, a majority of candidates have used these resources for postgraduate studies, which can last for three years, and only a very small number for on-the-job training. There are no precise estimates of the effectiveness of the programme, but it is quite clear that it has had fewer positive effects than expected at its start. Reasons are similar to those in the previous case: young talented people extended their formal education with little practical training.

Furthermore, very few of them got a permanent job in the institutions where they undertook training.

The Employment Bureau of Montenegro has devoted some funds to the training and retraining of the unemployed, but these programmes have been mostly developed for the surplus labour in the existing enterprises and are much less directed at the young, long-term unemployed. Furthermore, in most instances the programmes have been short, and the trainers usually lack appropriate equipment or teaching materials and have not been well trained. Sometimes (especially in the bigger enterprises with financial difficulties), training programmes of this type have been used as a formal channel for acquiring some financial resources - with no significant effect on training or employment.

In recent years numerous non-governmental organisations have been registered in Montenegro. They have been established to perform a very wide spectrum of activities, among which training is important. However, in practice hardly any of them has been involved so far in any serious type of training that can help young people to acquire a job. Very few have expressed interest in organising training. Those that were engaged in training mostly offered basic computer literacy and foreign language instruction.

As part of the Federal Republic of Yugoslavia, Montenegro has been excluded from Phare and all other international programmes designated to help Central and East European countries in transition. In practice, only the British Council and the Know-How Fund in cooperation with Government of Montenegro devoted some resources to education and training. It was a very useful programme already, but of limited extent and, of the fewer than 100 people who took part in it, the majority were in employment.

5. *Concluding remarks*

The unemployment problem for young people in Montenegro is very serious. In order to tackle it properly, a whole range of measures and programmes is required, ranging from those which will make the entire economy more dynamic and increase the demand for labour to those designed to tackle structural unemployment. Reform of the whole education system and especially of vocational education and training is very important to increase the employability of young people. However, the reform of education in Montenegro is still only just beginning and work has been moving at a snail's pace. In order to put the reform process on the right footing, international technical and financial support is essential.

Youth unemployment in Romania[17]

1. *Socio-economic context*

The transition towards a market economy and a democratic society was more complicated and difficult than was initially expected at the beginning of the 1990s. Gross domestic product fluctuated dramatically during this period and in 1998 reached 80% of its 1989 level. The country faced de-industrialisation: industrial production fell by 50% within the first 10 years of transition and agricultural production reached 28% of the gross domestic product. Although economic difficulties became evident in the whole country, the regions most affected were those dependent on economies based on mining, agriculture or other mono-industrial activities. For the moment, the only hope for those areas is the elaboration of regional development strategies and the creation of development regions.

Within the general economic context, unemployment has been high during the whole period but remains lower than in other transitional countries. However, unemployment has been showing an upward trend in recent years and reached the 12% in March 1999 (against 6.6% in 1996). Owing to the Enterprise Restructuring and Conversion Programme, the most affected areas of the economy generating unemployment were manufacturing industry, followed by services (trade), agriculture and construction. Regional disparities are also pronounced with regard both to the number and the rate of unemployment. The highest unemployment rate is concentrated in the north east of the country. An alarming observation is that unemployment tends to become a problem not only in the traditionally poorly developed counties, but also in traditional industrial areas, as a result of the Enterprise Restructuring and Conversion Programme.

Another alarming observation is that the average duration of unemployment has been persistently long and, according to AMIGO[18] data, in the fourth quarter of 1999 the duration was 16.1 months. More than 43.8% of the unemployed remained jobless for more than 12 months, while 21.5% were without work for more than 24 months.

2. *Youth unemployment*

Young people (15–24-year-olds) unfortunately continue to be the most vulnerable to unemployment in comparison with other parts of the population and no tendencies towards improvement can be observed.

For young people unemployment has a visibly negative impact which most of the time is more serious than for the other age groups, because:

- it decreases the hope of finding a job and subsequently, the motivation to job-hunt;
- it generates discouragement and feelings of social rejection;
- it leads to the loss of work abilities and the discipline necessary for carrying out systematic activity; and
- it increases the risk of failing, even when there are vacancies on the labour market.

17 Drafted by: Ms Gabriella Platon, General Director, National Agency for Employment; Ms Cornelia Munteanu, Training Expert, National Agency for Employment; Mr Alexandru Mihailescu, Ministry of Education; and Mr Mihai Jigau, Romanian National Observatory.

18 AMIGO is the Romanian Labour Force Survey.

According to data from the National Agency for Employment and Vocational Training, in April 2000, 868 264 people were registered unemployed and receiving an unemployment benefit. Among these, 27.6% were aged below 25, 46.5% were women and 39.3% were long-term unemployed. Generally, the figures have remained the same over the past three years.

Of the 239 674 young unemployed, 68.6% are workers, 29.6% are secondary education graduates, and 1.8% are university graduates. Apart from university graduates, the other two groups (which include graduates from high schools, gymnasia, vocational, complementary and apprenticeship schools) acquire general training, not specifically focused on a particular occupation. As the unemployment rates of these graduates are high, we may conclude that the connection between the qualifications acquired through general vocational education and the needs of the labour market is too vague.

The unemployment rate among young people was 20.4%, against a general rate of 7.2% (according to AMIGO data of 1999). Moreover, the urban unemployment rate for 15–24 year-olds was twice as high (27.2%) as in rural areas (11.3%) (AMIGO data of 1998).

In the first quarter of 1999, young unemployed people experienced a shorter period of unemployment (11 months) than average (16.2 months). The length of unemployment is also shorter for young males from rural environments than for those from urban areas.

To obtain a more complete picture of the problem of youth unemployment and analyse its dynamics one would need information on the way in which young people enter the labour market. However, following up on the job placements of young graduates is very difficult for the two reasons cited below.

- Schools do not have explicit responsibility for supervising students after they graduate. It is not, after all, a normal criterion for assessing the performance of educational institutions.
- The regional structures of Ministry of Labour and Social Protection have information only on the number of graduates benefiting from social welfare (passive and active) measures.

Although the information basis for the analysis of unemployment among young people is limited, the evidence that does exist may lead us to conclude that there is insufficient correlation between labour market demands and the programmes offered by the educational system, which demonstrates too little flexibility and ability to adjust to the dynamics of the labour market. This mismatch creates difficulties for young people trying to enter working life, especially for the graduates of lower education, young people with handicaps and the young gypsies who have low qualifications or low motivation for socio-professional integration.

3. *Employment policies for youth*

By law young graduates, under certain conditions, are treated as unemployed persons and benefit from all rights. Specifically, these young graduates are: school-leavers aged below 18 whose income represents less than 50% of the minimum gross national income[19]; school-leavers aged below 16 who have no legal guardians; and school-leavers who are disabled.

These young people benefit from a range of unemployment rights, as the following list illustrates.

19 Minimum gross national income, or minimum salary, is established by the National Commission of Statistics on the basis of specific studies.

Passive measures

i) Specific unemployment benefit, called professional integration allowance, is allocated to those graduates who cannot find a job within a certain period.

ii) Allowance support, representing between 18% and 20% of the medium national income[20].

iii) Social assistance, representing free medical assistance for themselves and their families, subsidised medicines, child allowance, invalidity pension, etc.

Active measures

i) Training, retraining and further training courses, supported by the Unemployment Fund and aimed at adapting skills to labour market needs, maintaining and developing professional skills and stimulating professional mobility, increasing employment and fostering promotion.

ii) Encouraging employers to employ young graduates on a job contract for an unspecified period by subsidizing 70% of the net salary for a period of 12 months (or for 18 months for disabled young people). The employers must conclude a contract for at least three years with young graduates. The employers can train the new employees, if their skills need to be adapted for the job for which they are employed.

At the end of April 2000, employers received subsidies for 16 900 graduates employed. Of this total, 46.6% were university graduates, 23.4% high-school leavers, 7.6% pre-university school-leavers, 20.1% vocational training school graduates; and 2.3% complementary and apprenticeship school graduates.

4. *Access to education and training*

The economic crisis and the tight labour market, the inability of some families to support their children's education and the weakness of active employment measures for graduates of the vocational education system prevent or discourage pupils from continuing their studies. As a result, some leave school prematurely with no prospect of resuming their studies or of being offered a second chance.

The phenomenon is more pronounced in the apprenticeship and vocational schools, where the percentage of young people who discontinue their studies is more than 7% and 5.6% respectively, compared to 3.8% in specialised high schools and 4.4% in the theoretical high schools. Considering the number of pupils enrolled in secondary education, 70% of those who abandon their studies come from vocational schools. One possible explanation for this could be the limited public funding devoted to this field.

If the most common phenomenon in urban areas is school drop-out (almost 1% in the first four years and 1.9% in grades 5–8), in the rural environment truancy is dominant (next to school absenteeism). This phenomenon profoundly affects children's development because their lack of knowledge condemns them to a continuous state of unemployment.

The statistics for schools in rural environments are worrying. In 1996, 11% of the rural population (compared to 9% in the urban area) had no elementary education (the first four grades); 29% of rural people had only lower secondary education, compared to 14% in urban areas. The average rate of young people (7-14 years) not attending school was 8.2% in the rural environment and 5.7% in the urban.

20 Medium gross national income, established by the National Commission of Statistics on the basis of specific studies, represents the national average salary.

This continuous decline in the quality of the rural education system[21] made the Ministry of National Education decide to work out a programme for an educational relaunch in approved areas through a loan from the World Bank. The programme will lead to a restructuring of the school network, that will enable it to respond to the demands of the labour market and also to the need for educational and professional guidance for pupils from rural environments. The economic reform requires the vocational training system, both initial and continuing, to provide prompt and efficient results. The emphasis is on the importance of professional reorientation and requalification.

The European Union's Phare vocational education and training programme brought in a lot of innovations: simplified occupational profiles, flexible curricula, core skills modules. Schools, it is expected, will contribute both to the continuous adjustment of educational and professional training to meet the labour market's demands and to changing old mentalities in teachers, school managers and social partners.

However, a lot of obstacles stand in the way of continuing reforms. They include:

- lack of financial resources for the continuous training of teachers;
- old equipment, inadequate for the standards of modern education, in schools; and
- lack of direct correlation between professional training, economic change and the Romanian programme of development.

From the equal opportunities for everyone perspective, access and preparation are easy for those with special needs. The restraints arise as a result of the unstable material conditions which prevail in some families (e.g. lack of financial resources to support a child during school years or the need for labour at home, especially in rural environments), along with the lower chances of finding a job.

5. *Building partnerships for employment and vocational training*

The Romanian Government has shown great interest in developing partnerships with the main players involved in the economy, as long as the social partners are part of every important decision taken, both in the social and the economic sphere. During the transition period a number of institutions were set up in order to facilitate and promote dialogue among social partners. Realising a real partnership, however, means changing the mentality of the people, making them understand their role and their involvement in developing their community.

Among the institutions built up during the transition period, it is important to mention the Economic and Social Council, which started up in 1997 and has as its main task advice to the Government on new projects law in the field of economics and social matters.

A specific institution was created to deal with the labour market and employment. The National Agency for Employment and Vocational Training (NAEVT) develops dialogue among players in the labour market both at national and regional level. It began its activities in January 1999 with the main objective of institutionalising social dialogue and implementing strategies in the employment and training field and developing both active and passive measures to support and protect job-seekers. The social partners close to local community representatives are involved in administration of the labour market problems, all of them being responsible for developing actions to promote employment.

21 It must be mentioned that approximately 40% of the Romanian school population resides in a rural environment.

In adult training activities the involvement of social partners is sought both by NAEVT and by the National Training Board for Adults, which is a consultative body to the Government in the development of training programmes and activities. It was established in 1999 and comprises national representatives of trades union confederations, employers associations and the Government.

In initial education, the reforms led to the establishment of structures in which the social partners and the local community could develop their ideas on training for labour market needs.

The new Law on Education was introduced by the Ministry of National Education and is based on partnerships between schools and social partners. These partnerships are reinforced at management level (both executive and consultative) through a tripartite structure (Steering Committee, Advisory Group, Vocational Training Cluster Development Committees), created partly as a result of the Phare vocational education and training programme.

Cooperation between schools and business enterprises has already gone ahead and has resulted in the identification of vocational training needs, the development of professional training standards of the curriculum, and of a final evaluation for pupils, as well as the realisation of practical training placements.

Although the education law is an encouragement, the school-business enterprise relationship does not yet benefit from any financial incentives, which decreases the motivation of business people to become involved in professional training. Most enterprises either have no training fund or only a modest one.

On the whole, Romania has achieved some progress and the country has a viable infrastructure for education and vocational training, which is something recognised by the recent closure of the relevant European Union membership negotiation file.

Youth unemployment in Slovenia[22]

1. Background

Until the end of the 1980s unemployment had not really been a big issue in Slovenia, but by then the deepening economic crisis and the transition to a new economic system meant changes on the labour market. The number of registered unemployed people grew rapidly from 15 184 in 1987 to a peak of 129 087 in 1993 (in October 1993 there were more than 137 000 unemployed). The unemployment rate followed a similar pattern, rising from 1.5% in 1987 to 14.4% in 1993. Because of the different structure of the influx of unemployed (dominated by older jobless people and people with lower qualifications) over the next few years unemployment has not fallen despite economic growth, but has acquired a seasonal character. The unemployment trend in 1999 was favourable in comparison with previous years. Whereas there were 126 625 registered unemployed in Slovenia at the end of 1998, by the end of 1999 there were 114 348, which is a reduction of 9.7%.[23]

Table 6: Typical groups of registered unemployed 1987–1999

Year	Average no. of registered unemployed persons	Shares of individual categories 1987–1999 (%) *					
		Under 26 years of age	First-time job-seekers	Women job-seekers	Unemployed for more than one year	Without qualifications	Over 40 years of age
1987	15 184	50.6	30.1	48.8	33.1	57.7	17.0
1988	21 342	51.9	28.7	47.3	36.9	57.1	14.5
1989	28 218	51.5	29.1	48.9	42.7	55.4	15.0
1990	44 623	51.4	26.5	47.9	37.4	49.8	16.1
1991	75 079	47.8	22.2	44.7	41.8	46.1	19.0
1992	102 593	40.7	20.2	43.9	50.9	46.5	25.0
1993	129 087	37.4	19.0	43.8	54.8	45.3	28.2
1994	127 056	33.5	19.0	44.9	62.1	45.8	32.4
1995	121 483	32.2	19.7	46.7	59.0	46.6	34.0
1996	119 799	31.4	19.4	48.1	53.8	47.0	37.7
1997	125 189	29.1	18.3	48.8	59.6	47.1	43.0
1998	126 080	26.3	18.1	49.9	62.4	46.9	46.7
1999	118 951	25.8	18.7	50.6	62.9	47.5	50.5

Source: Employment Service of Slovenia Annual Report 1999.

People who have been unemployed for more than a year are considered to be long-term unemployed. At the end of 1999 there were 71 930 long-term unemployed. In comparison with the end of 1998 their number had fallen by 7 128, but the share of long-term unemployed among the entire body of unemployed people increased by 0.5%.

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23 Source: Employment Service of Slovenia Annual Report 1999.

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The internationally comparable Labour Force Survey-based data show a different picture. According to these data, employment was slightly better than the registered sources. In recent years the survey-based unemployment rate ranged between 7% and 8%. It is evident that renewed economic growth has lowered only the survey-based unemployment rate, which means that the chances of informal employment have increased. The survey-based unemployment rate fell from 7.7% in 1998 to 7.4% in 1999. In the second quarter of 1999, the average survey-based unemployment rate in the European Union was 9.4%, which is higher than the Slovene average[24].

2. *Youth unemployment*

Taking into account the trends in registered unemployment, we may observe that the most characteristic changes are the increased numbers of people over 40 alongside a decline in the proportion of young people under 26 and a rise in long-term unemployment.

At the end of 1999, as many as 29 597 or 25.9% of all unemployed people were more than 50 years old and 28 114 people or 24.6% were in the 40 to 50 age group. On the other hand, there were 25 476 or 22.3% unemployed people aged under 25.

The survey-based unemployment rate for young unemployed people (aged between 15 and 24) remained at the 1998 level (18.2%) but the older unemployed (aged between 50 and 64) increased from 4.2% in 1998 to 5.1% in 1999. The unemployment rates for young people differ by gender and follow different trends: in comparison with 1998 the unemployment rate for men fell by 1.1% to 16.6% while for women it rose 1% to 19.8%. The percentage of long-term unemployed increased slightly to 56.8% of the total survey-based unemployment; the percentage of long-term unemployed men grew to 59.3%, while the percentage of long-term unemployed women fell to 54.2%.

The specific problem in Slovenia is that direct comparison between survey-based unemployment and registered unemployment is not possible. We do not have the same age group for young people. In survey-based unemployment figures "youth" means an age range of 15 to 24, while among the registered unemployed, young people are classified as such until the age of 26.

3. *Employment measures and other policies*

Economic growth in itself no longer reduces unemployment, so that the promotion of employment through employment measures and other policies increases in importance.

The fundamental objectives of the active employment policy programmes carried out by the Employment Service of Slovenia in accordance with the Ministry of Labour, Family and Social Affairs on the basis of the national action employment plan, were as follows:

- to reduce unemployment;
- to enhance the competitive standing of unemployed people;
- to provide new employment opportunities for unemployed people;
- to ensure the flexibility and adaptability of the labour market;
- to encourage employers to introduce new forms of assistance to employees;
- to ensure the social integration of unemployed people; and
- to reduce the negative effects of long-term unemployment.

24 Source: Country Report Slovenia

The key target groups of active employment policy programmes in 1999 were:

- young unemployed people (those under 26);
- older unemployed people (those over 45);
- unemployed people with no qualifications or with qualifications unsuited to labour market demand;
- recipients of unemployment benefit, assistance and allowances from social work centres;
- disabled and hard-to-employ people;
- people working in those branches of the economy which are being restructured and redundant workers from them; and
- school children and students.

The Employment Service of Slovenia plays a crucial role in implementing active labour market policy. It also cooperates with the private sector to carry out the policy, as there are also some private agencies dealing with young unemployment. Table 7 gives more information about the programmes.

All the programmes listed in Table 7 are not dedicated only to the young unemployed, but to other categories of unemployed people as well.

However, it is important to point out that the programmes carried out by the Employment Service of Slovenia are not the only ones in existence. Others are run by private, non-governmental, independent and voluntary groups, etc., although these programmes are not well known. One example of a successful project was developed by the Centre for Adult Education: the Project Learning for Young People programme provides young people with the opportunity to develop personally and socially, and trains them to enter education again.

There is much good practice in this field. We have chosen to present two programmes that are mainly intended for young unemployed people. One is carried out by the Employment Service of Slovenia and the other by a private agency.

4. *Two examples of good practice*

Programme 5000[25]: help for young people entering the labour market

The basic objective of the programme is to raise the educational level of unemployed people and reduce structural occupational discrepancies on the labour market. It started in the 1998/99 academic year, meaning that 1999 was its second year of operation. Under the programme unemployed people can attend publicly accredited courses in order to attain formal education at various levels, ranging from basic education for adults to university courses. In the 1998/99 academic year the programme included adult education programmes (USO programmes: business secretarial, book-keeping and office clerical courses) which were not repeated in the 1999/2000 academic year as they were no longer valid.

25 Source: Employment Service of Slovenia Annual Report 1999

Table 7: Participants in employment programmes 1991-1999

Programme	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Employment and training (preparing for employment)	12 000	9 900	15 270	10 768	16 456	18 167	15 017	29 227	30 889	157 694
Joint funding of trainees	7 200	9 300	13 117	8 423	5 011	2 230	64	-	-	45 345
Subsiding new jobs	3 308	9 822	-	-	-	-	-	987	848	14 965
Lump-sum unemployment benefit payments	3 468	1 143	2 183	1 208	1 176	881	562	17	19	10 657
Self-employment	210	833	2 210	3 283	3 211	2 310	1 590	1 630	1 643	16 920
Public sector works	1 248	3 513	4 367	4 475	4 272	4 728	5 354	10 641	10 296	48 894
Training for the disabled	362	424	732	867	1 339	1 453	1 088	1 182	957	8 404
Joint funding for the disabled	-	-	120	156	181	99	115	57	35	763
Medical service	-	-	-	1 470	1 689	1 965	2 382	2 742	3 284	13 532
Subsidies to sheltered workshops	-	-	-	2 500	3 100	3 530	4 036	4 895	5 424	23 485
Joint funding of redundant workers:										
■ project 11	-	-	-	-	-	-	6 618	10 299	2275	19 192
■ retraining	16 838	8 396	10 285	2 780	2 250	2 086	1 596	1 127	-	45 358
■ settlements	4 566	-	-	-	-	-	-	-	-	4 566
■ purchase of insurance period	6 554	4 689	2 067	-	-	-	-	-	-	13 310
■ training of workers taken from other companies	236	-	-	-	-	-	-	-	-	236
Refunding of contributions to employers under Article 48a	-	-	-	906	2 724	1 596	1 178	1 172	6 223	13 799
Refunding of contributions to employers under the Conditions for Refunding Act	-	-	-	359	520	799	667	717	-	3 062
Labour funds	-	-	-	-	-	-	-	1 473	1 057	2 530
Surpluses in public companies	-	-	-	-	-	-	-	-	360	360
Rehabilitation and restructuring of companies	-	-	-	-	-	-	-	-	145	145
Total participants in employment programmes	55 990	48 020	50 341	37 185	41 929	39 844	40 267	66 166	63 455	443 217

Source: Employment Service of Slovenia Annual Report 1999.

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The programme defines the types of education and the number of places set aside for unemployed persons within an individual academic year. In preparing the 1999/2000 programme the principle of partnership on local and regional levels between the Employment Service of Slovenia (i.e. its regional offices), the Chamber of Commerce and the Slovene Chamber of Crafts and their organisational units was applied. This type of approach guarantees that the actual needs of employers and the labour market on the local level will be taken into account and the responsibility for implementing the programme shared between partners.

An unemployed person who cannot be provided with suitable employment can join Programme 5000; the actual act of joining is based on the employment plan. In the 1999/2000 academic year the person is given the status of an individual in education in keeping with Article 53b of the EUIA, and rights arising from unemployment insurance lie dormant during the period of study. People taking classes can obtain scholarships as allowed by the Rules on Scholarships and are entitled to have their travel costs and contributions to compulsory health insurance refunded. School fees for those who attend primary and secondary education are paid by the Employment Service of Slovenia, i.e. the Ministry of Education and Sport, while students may obtain a student loan.

In the 1998/99 academic year, 7 932 unemployed people joined the programme (6 197 had joined in 1998). The educational make-up of these participants was as follows: 4 004 (50.5%) had attained the first level of education; 571 (7.2%) the second; 2 401 (30.3%) the third and fourth; and 956 (12.1%) at least the fifth level. Women made up 60.3% of participants. The programme is mainly intended for the young unemployed, so the fact that 5 526 people (69.7%) under 26 years of age joined the programme was not surprising; of these, 391 were under 18; 2 064 were aged between 27 and 40; and 342 were over 40. The programme attracted 3 379 first-time job seekers (42.6%) to join, as well as 1 116 recipients of entitlements for unemployment insurance; of these, 859 were receiving unemployment benefit and 257 unemployment assistance. So far as the length of time for which they had been registered with the Employment Service of Slovenia before entering education was concerned, the majority (44.8%) were long-term unemployed, although 2 993 (37.7% of all participants) joined within six months of registration.

Project Learning for Young Adults (PLYA) Programme

The programme is a long-term informal educational programme targeting school drop-outs and giving them a positive learning experience. It is designed to discover and remove the reasons for people to drop out of school or employment, while the positive educational experience that the programme offers motivates participants to resume their interrupted school studies. (The programme provides the support needed to acquire the missing formal education and prepares participants to continue their education).

The programme targets young adults aged between 15 and 25 who are school drop-outs or socially excluded and mostly without education. The majority of participants have never been regularly employed. Young adults who interrupt their schooling lose the status of pupil or student but they do not have worker status and arrive at an indefinite social position, without social status. To enter the programme the young people must meet conditions as follows:

- aged between 15 and 25;
- lack the status of pupil, student, etc;
- unemployed; and
- no educational qualification.

The special characteristic of the programme is the way in which it considers the interests and abilities of the participants, who are included in planning their outline programme. This is the stimulus for learning, which thus takes on a new point and becomes a goal-oriented activity. The programme, which includes project work as part of its method, offers a different approach to the education of young adults and ensures that participants stay in the programme for longer.

The programme is oriented towards making the best use of participants' abilities and overcoming the less stimulating influence of the primary social environment. The PLYA programme prepares participants for more difficult educational programmes.

Different educational approaches demand specialised new mentors who are specially qualified. The educational cadre working with the young adults on the programme includes three or four mentors. Their number depends on the number of participants; a group of between 18 and 24 participants will require three mentors, whereas 28 to 32 participants will involve four.

The mentors have special licences to work with the specific target group of school drop-outs or socially excluded young people. The mentors obtained their licences at the end of the special course which was developed and run by the Slovene Adult Education Centre, where the programme itself was also developed (on the basis of the Danish informal educational system) for the use of the Ministry of Education and the Ministry of Labour and Social Affairs. The Employment Service of Slovenia was chosen on the basis of its fulfilling all of the required conditions for implementing the national programme, two-thirds of the normal programme expenses of which are financed by the above-mentioned ministries.

The essential goals of the programme are listed below.

- Acquisition of functional knowledge to develop a general education and more flexible mind.
- Acquisition of the functional skills which increase general practical abilities and flexibility in employment.
- Acquisition of positive learning experiences which motivate participants to resume their interrupted schooling.
- Preparation for resuming schooling (help with learning, passing exams and application procedures).
- Clear identification both of vocational interests and a vocational and employment strategy, in which participants are equipped for independent planning of their vocational and employment career.
- Development of a critical, problem-oriented habit of mind.

Project activities are carried out through the four different forms of project work described below.

- Project work selected by the participants from various spheres. This form of project work includes general educational goals and social-cultural activities, preparing and realising a concert, cultural events, an exhibition, fair, etc.
- Production project work which involves both vocational identity and general educational goals. Projects would include, for example, a newspaper or other publication, a film or other production, etc.
- Individual learning projects, where general educational goals are combined with the participants' special individual educational goals (learning for different exams, etc., for example).
- Activities based on interests and involving different goals, depending on the chosen activity (various sports or hobbies, for example, cultural activities, etc.).

The participants choose different project work with the assistance of their mentors. The current group are working on a newspaper project, an exhibition and the decoration of a room called the "PLYA Club Room". They are also actively engaged in the sphere of interest-based activities and on individual learning projects.

The programme was established three years ago, at first on an experimental basis. Financial support is assured by the State which, as explained above, meets two-thirds of normal programme expenses.

The evaluation of the PLYA programme is the permanent professional task of the organisation where the programme is running and is done by the participants with the assistance of their mentors. The evaluation is carried out at four points, as follows:

- at the beginning of the programme;
- at the end of each project task;
- at the end of the programme (which lasts 12 months); and
- six months after participants conclude the programme.

Part 3
The experience of selected EU Member States
(France, Germany, Ireland and Portugal)

Measures to assist disadvantaged young people
The example of France[26]

Employment measures

I would like to start with an established fact: the high rate of youth unemployment and that 10% of an age group cannot enter the labour market under "normal" conditions. The first insertion takes place between six months and five to six years after they have finished school.

Any analysis of the causes should distinguish between:

- social reasons (the psychological suffering of adolescents and young adults), which may include:
  - an increase in the number of suicides among young people (the highest rate in Europe, having doubled during the past five years and now 8.5 times higher among the unemployed than among the active population);
  - periods without fixed accommodation which for young people with difficulties (no housing, no family, no ties of affection) can last from one to two years;
  - delinquency which increases in neighbourhoods with difficulties (where the youth unemployment rate is double); and
- failure at school (failure of the initial education and training system).

The problems of young people have become problems of society at large: it is not a problem of unemployment, nor of the relationship with the parents; rather, it is linked to illiteracy, to the lack of fixed accommodation, to delinquency. The young person does not work.

In 1974/75, there were 600 000 unemployed in France, five times today's figure. In 1996/97, 120 000 of the 600 000 young people who left the initial education and training system were in difficulty. This annual flow diminished to 60 000 in 1998, which means that a stock of between 150 000 and 200 000 young people who have left the education and training system are in difficulty today. French society cannot accept this situation.

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26 Author : **Michel François**, Ministry of Labour.

Measures adopted in response to the problem are outlined here.

i) "Mission locale" for youth employment

This is a framework set up between the state and the local community that brings together local players and aims to motivate them to:

- identify supportive measures, accommodation and work;
- take care of health and drugs problems, and delinquency; and
- re-integrate young people into the school system.

ii) Creation of new jobs

For five years, 350 000 jobs were financed at a rate of up to 80% of the annual SMIC by the State (costing between €15 000 and €20 000 per person per year). These jobs are created in associations, municipalities or private enterprises which provide public services (transport, for example). However, the question as to how these jobs can become self-financing arises; their long-term sustainability is the challenge. For two years the programme has covered around 250 000 unemployed aged between 16 and 25; however, it does not cover some 110 000 young people who are also in great difficulty. It is for these young people that the following programme has been set up.

iii) New framework programme: "Individualised pathways for access to employment"

This programme provides young people in difficulty with personalised, continuous support for a maximum period of 18 months, during which time it aims to guide and accompany the young person towards stable employment. It requires the mobilisation and involvement of all the players and all of the existing measures and provides 700 jobs (costing €40 000 each). Half of these jobs are financed by the State and half by the local authorities.

Educational measures[27]

The measures target young people experiencing learning difficulties, particularly on account of their belonging to underprivileged groups, which means that they are likely to leave the school system prematurely and with no qualifications.

Some of the measures taken are described below.

i) Development of priority education zones and establishment of priority education networks

This policy, which was launched in 1981, consists of substituting for the concept of a single school (using a similar syllabus and educational methods throughout the country) that of a single school with the same objectives and requirements for all, but with resources and methods adapted according to differing needs and places. The arrangement was the subject of a reform in 1998, which *inter alia* led to a review of the map of priority zones.

The arrangement now covers 1 380 000 pupils, compared with 1 160 000 previously. In addition, it has been reinforced by the setting up of priority education networks grouping together institutions (schools, grammar schools and colleges) located in underprivileged areas, on the basis of shared resources and contracts for success that are drawn up locally with the chief education officer.

27 Author : **Françoise Divisia**, Ministry of Education, Research and Technology.

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ii) "Nouvelles chances" ("New opportunities") project

This new project aims to combat early school leaving by young people who could later be at risk of social and professional exclusion. It follows three guidelines:

- to respect the methods targeted at the great majority and construct individualised approaches for each young person depending on her/his needs;
- to foster innovation in terms of new methods, monitoring mechanisms and dissemination; and
- to promote partnership with companies/small and medium-sized enterprises and local authorities.

The initiative also has four objectives:

- to encourage greater expertise in the area of young people at risk of leaving school prematurely;
- to combat early school leaving with a large range of preventative measures;
- to work out pathways leading to qualifications; and
- to look for small and medium-sized enterprises needing staff with low-level qualifications and develop curricula with them.

Some examples of measures adopted so far are described here

i) Extension of remedial arrangements

The objective of remedial classes is to resocialise and re-educate the young people who have obviously rejected the education system. They benefit from a specific induction period (up to a maximum of one year) with a personalised schedule and an evolving timetable adapted to the individualised and interdisciplinary project teaching. Remedial classes are established within a college or on separate premises, depending on the context. The final objective is reintegration into a normal training course, either at a school or perhaps through a job contract. By the end of 2000, there will be 250 remedial classes , with 5 000 pupils welcomed annually and around 30 boarding schools opened.

ii) Re-education of children leaving school before compulsory schooling is completed

Reception centres for children aged between 9 and 13 who have avoided compulsory schooling are being opened by the national education system in cooperation with the Ministry of Justice, the Ministry of Health, the Ministry of Cities and local authorities. Six such centres are planned.

iii) Construction of qualifying pathways to the first level of vocational qualification (CAP)

The programme to assist the young people with the greatest difficulties will offer them the chance, gradually to obtain the first diploma of professional qualification (CAP), thanks to the division of the CAP into units, the creation of new CAPs on the basis of studies related to the emergence of low-level (Level 5) jobs and the increase in specific arrangements for young people aged over 16 (general terms of reference for integration).

In addition, the Lille regional authority, which is very concerned about the problem of school-leavers with no qualifications, has launched an experiment to combine different target groups by bringing together different training methods in the same educational area. It involves young people at school, those working under an apprenticeship contract or one leading to a qualification, and adults in continuing education, and setting up a network among the vocational secondary schools in each training area.

Partners

Those concerned in the work are units of the Ministry for National Education, working in partnership with the local authorities, other ministerial departments and/or professional organisations, as appropriate for the different measures.

Participation of young people in regional/community development and entrepreneurial skills for young people.

An example of best practice from Germany[28]

Presenting "best practice" should not be misunderstood as presenting "recipes" or standard solutions to certain problems. Rather, I want to share the experience we have gained in Germany in tackling the problems of young people and of community development.

I will stress the approach we are using in this field rather than presenting a particular model. Even if you compare two successful projects within one country, within the same legal framework, with the same amount and sources of financing, you will identify different factors which led to success. Nevertheless, you will also identify common elements, methods and basic rules which will influence the success of a project or a programme.

In this sense I will give you ideas and hints that reflect on your own activities in your local regions and enable you to develop your own approaches and specific measures which will fit into your specific development strategies, which in turn will take account of your needs and resources and the specific conditions in your country.

The approach that I am going to present to you may be called in English "Young people are building". It is a common approach used on one hand to integrate socially disadvantaged young people into society and working life and on the other hand to improve living conditions in the communities concerned. This approach is being applied in rural areas as well as in urban areas, focusing especially on the poor areas with severe social tensions. You will find a number of projects of this kind in Germany.

Motivations and approaches

The starting point is the assessment of socially disadvantaged youngsters. They tend to be trapped in a vicious circle characterised by some or all of the following, interconnected factors:

- insufficient basic education and skills;
- unemployment;
- social problems (family, crime, ethnic discrimination, etc.) leading to social exclusion; and
- homelessness.

In the project, the elements of the vicious circle are turned into elements in a joint strategy, linking together the following four general issues and objectives of:

- housing;
- training and education;
- employment; and
- social inclusion.

Each area is essential for participation in social life and for improving urban and rural development.

The practical application of this strategy to a project results in the kind of activity described below.

➥ Young people are given the guidance and counselling that will support them in coping with their individual obstacles and problems and guide them into working life.

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28 Author: **Annegret Bötel**, Lawyer, Consultant BBJ Servis GmbH, Mecklenburg-Western Pomerania.

- The youngsters also have this one chance to prepare their entry into working life through employment under public work schemes or other forms of subsidised work.
- Young people work on the reconstruction of flats or buildings and on improving social infrastructure facilities (e.g. youth clubs, recreation areas, etc.). They gain work-experience and learn to live in a more structured way. Their practical work is visible: the improved housing situation and quality of life in the community is obvious.
- Training and education measures are offered to the youngsters while they are at work. The aim is to deepen their work experience, to test or improve their skills or to complete their compulsory education. These measures must take the individual needs and interests of the youngsters into consideration – it will be of no use to force a school drop-out back to school, for example. This person might respond much more readily to practical methods of learning. In this sense it must be accepted that youngsters do reject traditional schooling, and may prefer unskilled work. Therefore, a range of training and education offers and options (modules) is necessary to respond to diverse needs and interests.

This project relies on several instruments and resources from different institutions/stakeholders, as itemised below.

The municipality, public and non-profit making housing companies, which provide the estates or houses for reconstruction and guarantee the basic investments. These investments may be complemented by the work of the youngsters.

The public employment or social service will provide counselling and job-mediation to offer youngsters the opportunity to work. These institutions have a range of resources to initiate and finance public work-schemes and/or to give incentives to enterprises which employ unemployed youngsters.

The enterprises will be contracted to do the professional construction work and may employ and instruct unemployed youngsters.

The private and public training institutions/schools provide a range of measures relevant to the needs outlined above. The measures are financed through the employment or the social service, or are part of the public education system.

The social service provides different forms of assistance to the young people. This may consist of welfare benefits or guidance and counselling, but may also involve financial support to other forms of social work, e.g. street-work, activities by non-governmental organisations or specific local/regional youth programmes.

Each stakeholder acts within its own framework, on its specific premises and is pursuing certain interests. The central issue is to link together their activities and resources. Combating youth unemployment requires a holistic approach and therefore the cooperation of all of the institutions, organisations and resources which are involved and/or affected, as well as – last but not least – of the youngsters themselves.

How is this cooperation initiated and carried out? Who is the link between the stakeholders? The experience in Germany shows that non-governmental organisations and public-private initiatives are the most suitable bodies to initiate, plan and implement the kind of projects I am talking about.

Why? Young people will get involved in the community's development on their own premises. Activating young people is very much a matter of meeting their interests – meeting them, literally, "where they are". Traditional institutions (like the social services, schools, the family) do not respond to this challenge. Such "open" institutions as youth-clubs prove to be a focal point for the development of employment initiatives for young people, as in this case now.

In 1990 committed adults with diverse professional experience, partly unemployed and partly volunteers, started a youth club in a deprived city area, thus offering youngsters an open meeting-point and creating job opportunities for unemployed people interested in working with young people. This initiative was backed up by the local authorities, which provided a room and some finance for the running costs. Two unemployed people were funded through a public work scheme to start off the project. As more and more youngsters were attracted and the social work stabilised, the idea of an employment initiative was born and turned into reality in 1991 by complementing the activities with more labour market-oriented actions like orientation courses and careers guidance. The next idea was to offer the young people a longer-term perspective, involving income and social stability.

The "Young people are building" project was designed by the key people in the employment initiative (every project depends on such key people!). They negotiated with all of the stakeholders: convincing the municipality to invest into the reconstruction of a building to provide flats and shelter for socially disadvantaged young people who were partly homeless. The municipality's interest was twofold: the integration of disadvantaged youngsters on one hand; and on the other, the reconstruction of houses which would enhance other private and public activities designed to improve the community's living conditions (a kind of catalyst function). The obstacle was financing the whole project.

At this point the resources of the employment service were used: The public work scheme offered the finance to employ 20 unemployed youngsters to work on the reconstruction for two years. In this case the young people were employed by the employment initiative, which was the promoter for the whole project. The construction work was supervised by the municipality's construction department, which in turn hired local building companies to do the necessary professional work (thus stimulating the local economy). The project promoter was responsible for managing the youngsters' building activities (the unskilled work) within the firms' operations, cooperating again with the supervisor for the reconstruction activities. The promoter also had to organise continuing vocational training for the youngsters, which involved different training institutions. The training costs again were financed by the employment service. Finally, two years later, the first young persons moved into the flats. They were not the same people who had worked on the reconstruction, and had great problems in living on their own. They needed guidance to arrange their daily life properly and had support from social workers under the social service. Some of these youngsters later joined follow-ups to the "Young people are building" project, thus finding pathways into working life.

The results of the first project/group have been quite encouraging: One third of this group undertook an ordinary vocational education, while one third returned to secondary school or found employment. For the remainder the prospects were more unstable – being unemployed again. The employment initiative has grown over the years: around 600 young people have been involved in several projects; three buildings have been reconstructed, improving the social infrastructure in the town/area, stimulating the local economy, improving community development and presenting civil society.

Thoughts for the future

To identify what is essential for such projects to be successful in future, we can focus on three considerations.

i) The driving force to make such projects work, is an effective, open-minded project promoter which, to integrate interests and resources and fulfil the ambitious goals, has to function as:

- instructor;

- social worker;
- mediator;
- employer;
- lobbyist; and
- manager.

This role can best be taken by non-governmental organisations, in to our experience.

ii) We must not forget that young people will form the backbone of tomorrow's society. Attracting, motivating and preparing them to take on this role means:

- The interests of the young people must be met (e.g. we must offer work experience rather than formal education);
- Any offers for young people should be located at places where they meet;
- Job opportunities should be developed within their living areas; they will be on the move later on, once they are more aware of their prospects; and
- The possibilities and chances for young people should be far more transparent: a public information network on jobs, training, guidance and leisure opportunities will inform youngsters and help to develop good projects.

iii) Young people have the strengths, resources and interest to restructure their community or region. On this premise we should build an open system to combat youth unemployment, which:

- is oriented towards real (working) life;
- offers diverse pathways, steps and modules for integration (training, work, guidance, education, etc.);
- is based on cooperation among stakeholders;
- creates synergies by matching resources (including the financial); and
- integrates social and employment issues into strategy-building for local and regional development.

Facilitating access to education and training[29] *The Experience of Ireland*

"I would there were no age between ten and three-and-twenty, or that youth would sleep out the rest; for there is nothing in the between but getting wenches with child, wronging the ancientry, stealing, fighting ..." – Shakespeare, *The Winter's Tale*

1. *Introduction*

The quotation from Shakespeare with which this presentation begins seems appropriate to our topic here. A concern with the difficulties that young people experience in the transition to adult and working life is not new. My purpose here is to explore the Irish experience in responding to these difficulties. However, I want to begin by expressing two overarching principles deriving from our experience.

The first is that the young peoples' voice should be heard first. I appreciate the difficulty this presents, and I acknowledge that it is we who are meeting today, whereas they are not. I also recognise that this goes against the cultural grain of many of the countries represented at the meeting, but we must understand that too often we talk *about* young people, rather than *to* and *with* them. We set ourselves up as experts on their lives, but it is they who must live those lives. They must do so within the constraints that we, the owners, architects and protectors of institutions and systems, have assembled, usually in our own interest rather than theirs and, more often than not, without consulting them. If we wish young people to engage with us, and if we genuinely want to establish provision that is effective, we must invite the active involvement of the target groups.

The second principle is that every young person is special, and is of equal importance. As the French writer Charlot comments, "every history is unique". Furthermore, he or she is as important as we are.

Both principles are fundamental to successful interventions with young people, but they are also critical in the development of a sustainable social contract. They are a democratic imperative.

2. *Contexts*

Notwithstanding Shakespeare's comments, youth is a recent concept. It emerged with industrial society, and has been entrenched only in the past two generations. But already we are moving to another stage, to post-modern society. This is characterised by the extraordinary speed of change, and young people are in the forefront. But many of those who make decisions that affect the young forget what it is like to be young.

The development of open markets in Europe, in capital, in goods and services and in labour, is a second contextual feature that we must comprehend. So too is the macro-economic change from manufacture and distribution to services and information. Globalisation (in so many spheres of life) is a characteristic of the modern world – think of the Nike or Adidas brands. But so too, paradoxically, is individualisation – think of the Walkman, the mobile phone – and the atomisation of markets, lifestyles and communities. In dance music alone, there are a dozen sub-genres, each with its own characteristics and adherents. Of course, drugs are an ever-present factor in the lives of the young and in their culture – dance, rap, etc.

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29 Author: Dermot Stokes, National Coordinator, YOUTHREACH, Department of Education and Science, Ireland.

3. *Recent experience in Ireland*

In Ireland 10 years ago, the picture was very much the same as that presented in the Concept paper. In 1994, youth unemployment was 24.1%; by 2000 it is 8%. Emigration was then a core feature of the economy; now we have skills shortages, full employment, immigration. As in Holland, the labour market is a significant draw on young people, and early school-leaving has actually *increased*.

Why has the Irish economy become so successful? Many different reasons have been advanced and the list below includes those that are often instanced (by investors, for example), though they represent only this author's personal opinion.

- **External perceptions**: the people themselves, who are seen to be adaptable, responsive, inventive, dynamic and forward-looking.
- **Self-confidence:** there has been a significant increase in collective self-esteem arising from achievements in music, dance, film and sport.
- **Demography:** Ireland has a large population of young people, which has given the country an edge in competitiveness, flexibility and enterprise.
- **Education:** this is always cited by investors and is a very important factor. The workforce is seen to be smart, well-educated and technologically aware.
- **History:** until the 1980s, Ireland was a predominantly agricultural country, carrying little of the baggage associated with industrial-age heavy industry. The economy went from pre to post-modern in one jump.
- **Long-term planning:** the Industrial Development Authority, implementing Government policy, set a range of strategic goals more than 15 years ago. They explored emerging technological and commercial trends and identified various sectors, such as electronics and pharmaceuticals, which they wished to develop. They also began to develop both leading-edge contacts in the United States and the economic and technical infrastructure.
- **Membership of the European Union:** this has been a central element in the modernisation of the Irish economy. However, it is increasingly clear that in the long term the transfer of funds has been less significant than has the emphasis on strategic planning and sound economic policies.
- **Language:** Ireland is an English-speaking country. This has been particularly important with regard to investment from the United States. In addition, for a very long time, hostility to Europe in the United Kingdom meant that Ireland was the principal anglophone gateway to Europe.
- **Social partnership:** in response to the economic crisis of the 1980s, a new model was developed, in which the State and the social partners agreed on a detailed social and economic plan every three years. Those involved include non-Governmental organisations. The contribution of this process to the economic development of the country cannot be overstated.

However, economic success has also brought very significant problems. Many argue that there has been a significant decline in the quality of life. There is increased competition for housing. Traffic and air pollution have grown enormously. While absolute poverty has declined, relative poverty has increased (that is to say, the rich have grown richer faster than the poor have become less poor). While many unqualified young people are able to secure employment, they are unable to sustain their participation in the job market – nothing else has changed in their lives. There are greater levels of stress and aggression. Social partnership is now under pressure as inflation has increased. There are major skills shortages. In particular, social and health services are unable to compete for workers with the computer and financial industries, and the quality of services has been affected. Finally, the first stirrings of racism are in evidence.

4. *Early school leaving in Ireland*

Turning now to the question of early school leaving in Ireland, every year we conduct a survey of all school-leavers. The table below shows the levels it reveals.

Survey	School year	No qualifications		Junior cycle, no LC*		All
1986	84/85	4 400	6.9%	14 500	22.6%	64 200
1987	85/86	4 800	7.29%	15 000	22.8%	65 800
1988	86/87	4 400	6.6%	15 500	23.3%	66 500
1989	87/88	4 200	6.2%	15 300	22.5%	67 900
1990	88/89	4 600	6.8%	12 800	19%	67 300
1991	89/90	3 600	5.4%	11 500	17.2%	67 000
1992	90/91	5 200	7.8%	11 700	17.5%	66 900
1993	91/92	3 400	5.2%	9 700	15%	64 800
1994	92/93	3 300	4.9%	10 700	15.8%	67 500
1995	93/94	2 200	3.3%	10 000	14.8%	67 500
1996	94/95	2 700	4%	10 400	15.2%	68 500
1997	95/96	2 200	3.2%	10 800	15.7%	68 900
1998	96/97	2 500	3.5%	10 800	15.5%	69 700

* *Leaving Certificate*

In addition to the above, there are 900–1000 (a high proportion of whom are traveller children) who do not transfer from primary school. Of the 10 800 who leave after completing Junior Cycle, some 2 000 do not achieve five grade Ds in the Junior Certificate, which is normally taken at the end of compulsory schooling. A higher proportion of boys leave school early with no qualifications (64% male; 36% female) and this pattern is repeated for those who leave having completed junior cycle but without the Leaving Certificate which is taken at the end of secondary schooling.

And at what point do these young people leave school? The 1998 survey showed the following pattern for those leaving secondary-level school with no qualifications:

- stayed up to one year 12.8%
- stayed up to two years 46.7%
- stayed up to three years 36.6%
- Others 3.9%

However, the recent economic success has triggered a curious phenomenon. Early school-leaving has stabilised and even increased slightly. This has been predicted from international experience: it is observed in Holland and Finland also.

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5. *The labour market experience of early school-leavers*

The disadvantages facing young people who leave school without qualifications are well known. Of those who enter the labour market immediately after leaving school, the unemployment rate is 47.5% for those with no qualifications, compared with 9.6% for those with the Leaving Certificate. For unqualified leavers, significantly more boys (48.1%) than girls (38.9%) enter employment. A high proportion of girls in this group are classified as being "unavailable for work" (20.3% of girls compared with 6.9% of boys). Gross weekly earnings are 30% higher for young males in this group than for females. However, when *hourly* earnings are examined the differential reduces to 15%.

The survey demonstrates that both the levels of education and the grades achieved have a marked influence on gaining employment and, in general, that higher qualifications and grades *increase* the chances of gaining employment, *reduce* the length of time spent seeking work and the risk of unemployment. Finally, they *promote* higher earnings levels.

A number of other problems have emerged. The incompatibility of service agencies and their difficulty in collaborating in the interests of the target groups have been marked. So too has the increasing isolation of the most marginalised. Finally, Travellers, Ireland's indigenous nomadic population, remain outside the economic boom.

6. *What have we learned from early school leavers?*

I said at the outset that is was important to hear what young people have to say about their experiences, their desires and their needs. When we ask them why they dropped out of school, what do they tell us? It is clear that dropping out is a rational and positive decision for many. They know the limitations it will place on their job prospects, but they do it anyway. Clearly, persisting with schooling is not worth it from their point of view. Again and again they say the same thing, that they do not feel respected, listened to or valued in school. There are many different ways of learning and participating, but schooling only recognises one way. The need to belong is clear, as is the importance of relationships; the breakdown of relationships lies at the heart of most of their difficulties.

Many theories as to why young people leave school may be found in the literature. One Irish researcher describes early school-leaving as "a complex process in which a wide range of interrelated variables seems to contribute to the decision". School-related factors are the main reason, cited by 60–70% of young people in Ireland. By contrast, only 4% said they left because they were bullied; 3% for "family reasons"; and 2% for "financial reasons". Those who either had or wanted a job or apprenticeship made up 21%.

Paradoxes abound: young people in western Europe have more choice and more freedom than at any time in history. But there is also less structure, less certainty and less guidance. Young people appreciate this freedom and choice, but they also want or need a framework that offers support and guidance. They can be ambivalent, of course, and many of those who drop out of school are passive in their approach to life – *people to whom things happen*. Yet they are often very perceptive. Their assessments of their teachers are often far more perceptive than are their teachers' of them. Those who drop out of school early often have a sense of failure and low self-esteem. They are, in the words of the Irish researchers, Hannan and Shortall, "highly alienated from school". This experience has parallels right across Europe. Young people experience life in very similar ways.

But are early school-leavers really *at risk*? Indeed, they are, if we examine the correlation between early leaving and unemployment, or imprisonment, although this may be deceptive. A study of

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young people on the Irish programme YOUTHREACH showed that 55% had no involvement in anti-social activity, while 57% were opposed to crime and the use of drugs; only 9% were "ambivalent" or had no view. It is true that 21% regarded crime as acceptable, but some of these were greatly opposed to drugs. The lesson is that correlation does not prove causation!

7. *Patterns observed*

What patterns do we see when we observe the young people who have left school early? A number of characteristics are relevant to this meeting. One is the general acceptance of hash, which is not seen as a drug, whereas heroin is. Drugs and alcohol are at the core of many of the young people's stories.

There is a tension between the quest for individual identity and the need to belong. Peer groups are hugely important to the young people. They want to be like everyone else, but they want to be treated as individuals. They are inclined towards risk-taking, including drug-taking and joy-riding. Although these tendencies are often condemned, we often forget that they are characteristic of adolescence – and have been for many generations. There is ambivalence towards authority.

We also notice that fear is a factor in the life of many young people – fear of violence, fear of failure, fear of the future.

8. *YOUTHREACH programme*

YOUTHREACH is the principal national response to the needs of those who have left school early in Ireland. Although it is a national programme, it is locally managed and inter-agency agreement is expected at local level before a programme is established. Of the 150 centres involved, all are alike, but none is identical to another. The programme is funded by the Exchequer, with the support of the European Social Fund.

YOUTHREACH has two phases, known as "Foundation" and "Progression". The programme is fundamentally achievement-oriented, and tries to promote a strong sense of self-worth. It accepts the young person as he or she presents, and uses this as a starting point for development. It is envisaged that young people will identify a pathway or plan for themselves and follow it through the two phases. It follows that a centre's activities will change from group to group. There is considerable flexibility in certification for courses or modules taken and the programme integrates formal and informal practices. Much of its most effective work takes place in non-formal settings. Under the umbrella of YOUTHREACH a crime awareness programme called Copping On[30] has also been developed.

The teachers and instructors are the engine of the programme. Many are practised in frontline skills in guidance and literacy and – by way of example – there are woodwork or catering instructors who have been trained to give basic guidance as part of an integrated guidance strategy in a centre. An annual staff training programme tries to enhance and maintain their skills.

30 Contact: Marian Quinn, Copping On, Centre for Adult and Community Education, NUI Maynooth, County Kildare, Ireland.

9. *What works?*

So, what have we found to be effective with these troubled young people?

Certain words – individual, local, integrated, informal and innovative – encompass the best approaches. Listening (to the young people) works. So does respect and giving them responsibility. Providers should balance safety and challenge and must establish high expectations in and of the young people. The most effective approaches accept the youngsters as partners, not clients. In particular, informal methodologies work – alternative and complementary modes of delivery. Above all, putting the user, not the provider, first is imperative. With regard to the programme, a matrix approach, in which trainers mix hard and soft skills, is adopted – for example, the literacy agenda is addressed in all activities, not only by the literacy tutor.

Does this work? Young people's negative views of schooling contrast sharply with their favourable assessments of their YOUTHREACH experience. Repeatedly (and this has been found across all European Union Member States), young people report the same things. Asked what is different about the process, they say that they are given responsibility, trust, choice and respect. For many, the YOUTHREACH programme is "the first place I was ever listened to". The programme is attractive to them because it:

- starts "where the young person is at";
- places him/her at the centre of the action;
- treats each young person with respect;
- listens, consults, involves, feeds back and gives time;
- is real, active and empathic;
- is flexible and solution-oriented; and
- is outcome-driven.

Young people find it particularly significant that they participate in a range of activities known as "MAGIC" – an acronym for activities involving mentoring, advocacy, guidance, information and counselling – as partners, not clients. Indeed, their active involvement is fundamental to the effective implementation of this new model. With MAGIC, they are at the centre of the guidance process and are directly involved in identifying and addressing their needs and building their self-esteem and sense of achievement. Clearly, this improves their employability. However, it also enhances their willingness and ability to participate in society.

Successful approaches are *action-based and outward looking* and not passive and informational, as existing services often are. The approach is *solution-oriented* as goals are identified and both practitioners and young people work towards achieving them. If one approach does not succeed, another will be tried. Fundamentally, YOUTHREACH does not take no for an answer!

It is also clear, from the experience of the European Union Community Initiative Youthstart, that MAGIC works. The approach places the emphasis on how the system can respond to the young person's needs, not on how the young person can adapt to what the institution can offer. The focus is on the possible, not the impossible, and on solutions rather than prognosis.

Effective approaches proceed from the principle that the young people must own their own problems, capacities and solutions. In this scenario, reciprocal honesty and trust are central and respect fundamental. So, the practitioner does not focus on the young person's problems. Instead, he or she acknowledges that "You are as important a person as I am" and, over time, asks the following series of questions:

"What do you think are your strengths?"

"How can we assist you in maximising them?"

"What do you think are your weaknesses?" and

"How might we support you in addressing them?"

10. The challenges arising[31]

Finally, I wish to conclude by setting out a number of challenges that arise from what I have been saying. I am not going to address macro-economic policy formation, or the processes of partnership between government and social partners. I am focusing instead on education and training systems.

Challenges for education and training practitioners include:

- to involve and listen to the users;
- to build an integrated system from the ground up;
- to engage with other agencies;
- to adopt a "pathways" approach;
- to accept that problems will arise on the way;
- to be as professional as possible;
- to avoid burn-out;
- to establish more appropriate reporting systems;
- to hunt and gather (resources); and
- to innovate and challenge.

Challenges for institutions include:

- team development and flattened hierarchies;
- quality and effectiveness;
- relationships (within the institution) and school organisation;
- lowering the drawbridge – the school must no longer see itself as a benign fortress;
- addressing the needs of learners, not the institution; and
- acknowledging that the key issue is to know what will work.

The challenges for policy makers include:

- to agree a set of principles and stick to them;
- to build an integrated system;
- to support networks and a local approach;
- to recognise new roles, qualifications and status;

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31 These challenges derive from the publication *It's MAGIC*, which the author wrote on behalf of the European Commission. It describes the new approaches to guidance developed by YOUTHSTART projects.

- to train and support all practitioners;
- to develop flexible regulations, quality assurance and evaluation processes;
- to commit resources; and
- to take a long-term view.

I wish everyone the best of luck in their endeavours.

Building up partnerships for employment and vocational training
Some Portuguese examples[32]

I was asked to reflect on and talk about Portuguese experience of building partnerships to promote employment and vocational training, and promoting employment among young people. Although there is a vast set of programmes and measures designed to facilitate the transition of young people into working life, I shall present only some examples of those that are based specifically on the very active participation of the different key players. Among others, they include public employment services, commercial companies, municipalities, trade organisations, social partners and educational and vocational training institutions.

We can talk about different forms of partnership, namely, those that we can formalise in some projects and networks, or others that we can improve through different kinds of measures and programmes. The main difference between them is that the first type usually needs to use a combination of different measures to work and to achieve the goals.

Almost all of Portugal is covered by networks for improving employment (we call them regional networks). We started this way of doing things in 1998. Each regional network is composed of a large number of partners (local and regional authorities, associations, cooperatives, social partners and others). The IEFP[33] is responsible for leading all work, since its main objective is to create employment.

This presentation is based on five distinct measures/programmes in progress, as follows:

- Apprenticeships
- Units for Integration into Working Life (UNIVAs)
- Training/Employment Programmes (known as "PFE")
- Workshop-Schools
- Professional Stages

All of these programmes target the young unemployed. Another reason that makes me pay them particular attention – besides the active involvement of different parties – is that they have been of benefit to a large number of people, and have relied on the participation of a large number of employers.

Given that Portugal does not have a serious unemployment problem, especially when compared to other European Union Member States, we have observed that it is a problem that afflicts specific groups, in particular young people. In 1995, the unemployment rate for the entire population was 7.2%, while the unemployment rate for the under-25s was 16.1%. In 1998, unemployment decreased to 5% and 10.3%, respectively, and it continued to drop until the end of 1999, when it reached 4.5%, across the whole population, and 8.8% for the under-25s (it should be noted that this rate penalises women most of all, regardless of circumstances).

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32 Author: **Adelia Costa**, IEFP

33 The Employment and Vocational Training Institute (IEFP) is responsible for implementing government policy on employment and vocational training in Portugal. It manages the various responses, measures and programmes designed to combat unemployment and promote the improvement of professional skills among both employed and unemployed, which naturally includes young people. The IEFP has five regional delegations, more than 80 employment centres and more than vocational training centres, with more than 4 000 employees. Some of the vocational training centres are under shared management, in which agreements on specific activities have been reached with the relevant social partners (trade unions and employers).

Such figures justify the commitment to promoting and implementing measures and programmes aimed at helping young people to enter the labour market, especially given the fact that unemployment among young people affects both graduates and those with low-level qualifications.

The economies of European Union and other developed countries are increasingly based on knowledge, and our societies are increasingly reliant on information, with the digital economy based on knowledge acting as an engine for growth and competitiveness. Young people are an asset that Member States cannot afford to waste, unless they wish permanently to jeopardise the development of their economic systems. Fighting unemployment among young people is a priority, especially because joblessness can lead to the creation of socially excluded and less favoured groups, who then act as a destabilising force and an obstacle to social and economic cohesion.

Fostering satisfactory transition for young people moving from education into working life is one of the Portuguese National Employment Plan's greatest goals. Therefore, given that they are facing unexpected obstacles in their attempts to integrate themselves into the labour market, young people seeking their first employment are the target for countless specific measures. Although the labour market values qualifications and permanent training, it simultaneously demands certain skills which only experience can provide, and which is denied to young people at the beginning of their career.

Apprenticeships

This programme aims to provide qualifications for people seeking their first job, in order to facilitate their integration into working life. It is primarily intended for those past the compulsory schooling age, and preferably under 25 years of age.

The apprenticeship programme is a type of vocational training designed in close cooperation with companies and intended to provide young people with formally recognised academic and professional qualifications. Thus, the companies themselves become qualification-granting bodies.

Apprenticeship courses exist in a wide range of areas, such as agribusiness, fisheries, the automotive industry, construction, electronics, foundries, the print and paper industries, the chemical industry, clothing industry, computers, banking and insurance.

The course contains an element of theoretical training (with social, cultural, scientific and technological components) which is carried out at a training centre, and a practical training element in a work-based context, which takes place at an enterprise selected by the Employment and Vocational Training Institute (IEFP). This is a type of training that allows companies to train future employees, although they are under no obligation to employ the young candidates once their three-year apprenticeship has expired.

The financial support (as opposed to the technical and pedagogical support which also exists) that the IEFP provides progressively decreases over the course of the three years; starting at 75% in the first year, it drops to 55% in the second and finally to only 35% in the last year. Thus, there is a progressive increase in the companies' commitment over the course of time.

The increase in the number of trainees and in the financial sums involved over the past three years has been considerable. In 1997, we had just over 11 000 trainees and almost Esc. 7 billion; in 1998, we had almost 14 000 trainees and just over Esc. 11 billion; and finally, 1999 saw us with more than 21 000 trainees in apprenticeships, andmore than Esc. 15 billion spent.

Even when trainees do not subsequently join the company where their apprenticeship took place, their skills are clearly reinforced, insofar as they have acquired solid experience of company activity, which will later help them to integrate into various working environments.

There are three important points which should be highlighted.

First, I would like to mention that there is very close coordination between the employment centres, the vocational training centres and the companies involved. The employment centres advertise the apprenticeships, select the candidates, organise class groups and carry out marketing and prospecting for companies likely to participate. The training centres, be they directly managed or under joint management, are responsible for the theoretical training, while the companies look after the practical training.

Secondly, I should point out that this type of vocational training is tutored by the tripartite National Apprenticeship Committee that accompanies and defines strategic guidelines for the programmes. Various ministries are represented on the committee (Education, Labour and Welfare, Economy, Planning, Rural Development and the State Department for Youth), together with the trade and employers unions, as well as individual guests.

Lastly, companies have a very important part to play in this type of training, given that they become training organisations for young people, providing them with practical skills and an indispensable contact with the labour market.

Units for Integration into Working Life (UNIVAs)

The aims of the second programme are entirely different. Instead of providing direct support to young people or to the entities responsible for training or employing them, with this programme we support the creation of "units" (i.e. offices) to make the professional integration of young people into working life easier.

The UNIVAs were created in 1992, with the intention of diversifying the services available to promote the integration (or re-integration) of young people, and of favouring and promoting a closer coordination between training and working life. Since then, the Employment and Vocational Training Institute (IEFP) has provided a significant number of entities with support for the creation of UNIVAs.A UNIVA can be any type of IEFP-accredited organisation that works in close cooperation with the employment centres and provides young people with support in solving their professional (re-)integration problems. UNIVA activities and support are specifically aimed at the young unemployed, especially those seeking their first job.

The UNIVAs are an integral part of a policy intended to reinforce the professional (re-)integration of young people, through the provision of the following services:

- professional or academic information, and help in defining a training and professional path;
- placement, and follow-up on (re-)integration;
- support in attending of stages and vocational training courses (among other types of contact with the labour market); and
- collection and dissemination of job and vocational training opportunities.

Each UNIVA is in the charge of an officer known as an "animator".

The UNIVAs can be promoted by schools, vocational training centres, youth centres, private institutions for social welfare, local authorities, trades unions and related organisations, or any other association playing an important part in local development. Educational institutions, including high schools, vocational schools and universities, are clearly the entities that have shown the greatest interest in the creation of UNIVAs. The Portuguese Institute for Youth, as well as municipalities and

parishes have also been strong supporters, while various trade organisations have integrated this type of support office into their premises.

To ensure efficiency, technical support is given to each UNIVA: initial and continuing training is given to the animators; professional information material is made readily available; and information and vocational guidance services are provided to candidates who have been assisted by the UNIVAs. Financial support for the set-up and running of a UNIVA is also provided.

We evaluated this programme in 1998 and learned from the data gathered that one of the main difficulties faced by the UNIVA animators was the lack of technical and material support, associated with certain difficulties in working in conjunction with local companies. Another problem was the coordination of the UNIVAs with the employment centres and vice-versa, as well as the continuing training of animators.

Some of the difficulties in the working relationship between the UNIVAs and the local companies could be overcome through increasing the advertising of UNIVAs and their activities, and putting special emphasis on their close relationship with employment centres. We noticed that it was necessary to make UNIVAs credible if businesspeople were going to be willing to work with them. UNIVAs can and must be seen as a service that facilitates the intervention of the employment centres.

The IEFP has a network of 86 employment centres, complemented by assistance counters. However, given that we anticipate a reinforcement of the coordination and cooperation between partners, with the latter working locally towards an integrated development and promotion of employment and occupational qualifications, there has been strong support for the creation of UNIVAs. Thus, it is our intention to provide an effective response network to an increasing number of users, guaranteeing easy access (geographically speaking) to labour market integration mechanisms.

In 1997, 484 of these units existed throughout the country; in 1998 the figure had grown to 571; and in 1999 reached 712. We expect the number of units supported to stabilise, if we are to invest in the quality of the response and the services available.

In our opinion, this programme is a good example of the way in which partnerships with various entities can be created and maintained, in order to facilitate and support the professional integration of young people into working life.

Training/Employment Programme (PFEs)

The Training Employment Programme, created in 1993 and slightly altered in format since then (mainly in its duration and target group) is another programme that reveals firm coordination between different partners.

The programme aims to promote the professional (re-)integration of the unemployed and young people seeking their first job, mainly by providing vocational training qualifications that will enable the candidates to adapt better to professional life and be more appropriately integrated into positions that match their training. The duration of each of the training components varies according to the trainee's academic qualification level and his/her specific training needs, always taking into consideration the job vacancies that are available, in terms of their demands and complexity.

The employment centres organise the trainee class groups and the training plans are defined according to the employers' needs, as they express them to the centres. The aim is to see that employers receive the type of professionals they need, thereby increasing the trainee's chances of being integrated permanently after the programme has finished.

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An evaluation study conducted in 1998 confirmed that the need to recruit qualified employees has been the main motivation behind employers' participation in the programme. The same study revealed that 50% of the trainees, once the programme was over, were immediately integrated into the companies in which they were trained. Of the remaining 50% who were not immediately employed, almost half found a job within two months of having completed the training programme.

The programme consists of a practical and a theoretical training component. The theoretical element of the training is provided by the employment centres through training units or at vocational training centres (of which the IEFP has more than 50 throughout the country), whereas the practical element takes place with the employer.

The employment centres need to find several interested employers, given that each class group may consist of between 10 and 20 trainees, with an average of only 2–4 trainees undergoing practical training with an employer. However, it is often the employers who, signalling their need for employees, come to the centres asking to participate in the programme. The programme allows all public and private bodies to participate in a work-based training period, provided that they meet adequate standards and are interested in training and employee recruitment. Every trainee on the programme, as well as all of the beneficiary bodies, are entitled to different types of financial support.

The following data for the past three years give an accurate picture of the numbers of people involved:

- 1977: 5 000+ trainees; Esc. 2.5 billion
- 1998: c. 4 500 trainees; Esc. 2 billion
- 1999: c. 4 000 trainees; Esc. 2 billion.

The decrease over the past two years is connected to delays in publishing the annual diploma (only in 2000 did the legislation cease to be annual), which prevented programmes from beginning.

Every year we have an average of 2 000 employers, mainly small and medium-sized companies, cooperating with the employment centres on this programme.

As has already been shown, the programme has yielded a successful level of employability among the trainees, and has also enabled employers to play an active part in the training of young people, allowing them to acquire new knowledge and skills and thereby facilitating their more successful integration into the labour market.

Workshop-Schools

Created in 1996, the Workshop-Schools Programme operates within a context of cultural and regional development in attempting to encourage new professions connected to the improvement of natural and urban heritage and to put renewed value on traditional crafts. It aims to provide professional qualifications in such areas as traditional arts and crafts, the environment, and natural and urban heritage.

The programme, which lasts for 12 months, entails both practical and theoretical training, designed to provide trainees with the knowledge specific to any given activity, including its historical and cultural aspects. It also aims to provide the necessary skills to enable participants to pursue the activity independently, while protecting its natural characteristics and integration into the surrounding environment.

Workshop-Schools programmes can be created by public bodies, associations, crafts guilds, crafts workshops, individual crafts people and families. Those approved in 1996 and 1997 (for which follow-up and evaluation studies are available) have essentially been promoted by associations, municipalities and private institutions for social welfare. Individual crafts people and crafts workshops also showed marked energy in creating them. Given that there is a predominance of schools funded by local associations and municipalities, this is a programme that plays a vital part in local development.

The evaluation process led us to conclude that, as a whole, the programme has been favourably received in terms of its fulfilment of its aims. To conclude once more with the supporting data, there were 116 schools operational in 1996, and 81 in 1998, whereas the trainee numbers increased as follows:

- 1997: c. 1 800
- 1998: c. 3 400
- 1999: 4 000+.

This programme has enabled young people to acquire professional skills in traditional arts and crafts, thus ensuring that such traditional knowledge is revived and passed on to successor generations.

Professional Placements

The Professional Placements programme is an essential point of reference in seeking to identify means that simultaneously promote the professional integration of young people and favour partnerships.

It was created in the wake of other, similar measures in 1997, since when the number of people involved has increased significantly, as the figures below show.

- 1997: 3 700 interns funded (implying a budget of just over Esc. 1 billion);
- 1998: 10 000 interns (implying a larger cost, of more than Esc. 4 billion);
- 1999: 16 000+ interns (representing a financial burden of more than Esc. 7 billion).

The Professional Placement programme also provides the intern with several types of financial support.

Each professional placement consists of work-based practical training intended to complement previous training or qualifications. It lasts for nine months, with the possibility of a three-month complementary stage in exceptional and justified circumstances.

The main aims of the Professional Placement programme are:

- to enable young people with intermediate or higher level qualifications to undergo a professional placement in a work-based context, thus facilitating their future integration into working life;
- to complement their social and professional skills through attendance at a work-based placement;
- to achieve closer coordination between leaving a school/training system and entering working life;
- to provide technical and financial support to companies carrying out professional placement, in order to facilitate their recruitment process and the integration of new permanent members of staff; and
- to promote the recognition given by companies to new types of training and job creation.

This programme is suitable for unemployed young people aged between 16 and 30 who have either intermediate or higher level qualifications.

There are two types of body involved in the professional placements, as follows:

i) **Beneficiary**, either public or private, which provide high-quality professional placements; and

ii) **Organising**, which may be employers' or professional associations, trades unions or university students' associations, as well as UNIVAs and training centres under direct or joint management. Organising bodies must bring together several beneficiary bodies in a single process.

These bodies are responsible for informing associates of the nature of the programme and for identifying the necessary human resources for carrying out the placement plans. They must also provide support for the beneficiary bodies both before and during each placement, using specially appointed coordinators.

A supervisor, usually employed by the respective entity, usually follows up the interns. The placement's success depends on this individual's performance, and as such he/she is a very important element in the programme.

It is also worth mentioning that a large number of beneficiary/promotional bodies have been involved. Indeed, the average number of placements per body is not large, which is beneficial to an intern's eventual integration into that body.

In 1997, almost 1 400 bodies participated in the programme and in 1998 this total increased to **almost 5 400**. Among those involved, 70% are profit making organisations.

December 1999 saw IEFP conclude an in-depth evaluation of the programme, after a comprehensive inquiry among all of the participating parties, from the organising to the beneficiary bodies, where the placements take place, to the supervisors and interns. The results of the evaluation were highly positive and the programme seems to be meeting the expectations of all concerned. Employability levels have been considerably increased, with 57% of interns integrated into the organisation itself and 16% finding jobs immediately with other bodies; of those who remained unemployed, 50% found a job within two months.

Among other reasons, the Placement programme owes its success to the "informal" disclosure networks: the UNIVA presentations at universities and schools are essential in making the programme known to potential candidates; employers' associations have played an important part in advertising the programme to prospective participating companies; and those companies have advertised the programme among themselves. It is often the participant organisations themselves which take the candidates to the employment centre. Our employment experts have also played a very important part in researching potential companies and candidates to participate in the programme.

Generally speaking, participating bodies, interns and employment centres alike all consider the programme an excellent tool for integrating young people into working life. Over the course of the nine months, the young interns being integrated into the company learn to work as part of a team; this also allows the employer to observe whether they are the type of professionals the company wants, while involving it in no great financial cost or risk.

Partnerships

Building partnerships to stimulate employment and vocational training for young people demands the commitment of several different partners, chiefly the bodies in charge of education and vocational training which play an important part and the employing bodies, commercial companies and others. The latter are fundamental, given that it is through them that professional integration is achieved and it is therefore very important that they be involved from the very beginning of the integration process.

Nowadays, one of the main problems faced by young people in their attempts to enter the labour market is lack of experience. Therefore, it is most important to create the conditions that will enable them to obtain concrete work experience, even if through a training or stage programme. Companies, employers' associations, other employing entities and the vocational training centres must cooperate very closely to make this possible. On the other hand, it is also extremely important for any incentive or measure created to be a positive answer to the interests of all parties concerned. Similarly, as we know today that local development is one of the areas in Europe in which job creation is still possible, it is crucial that we gain the attention and interest of local authorities (municipalities), associations, companies and the associations that represent them.

The Portuguese examples presented here are not an exhaustive list of all of the different existing types of cooperation that were created to foster the integration of young people, but they do represent some of those that we at IEFP consider to be examples of good practice in this field.

There are many other programmes similarly designed to help young people fit into the labour market, that also imply the building of partnerships between employment centres, training centres, companies and other bodies. For example, a very strong partnership already exists between private bodies seeking to address problems related to the less favoured groups and the disabled. Instead of developing its own response networks, the State has chosen to stimulate and support private bodies and society at large, by providing both technical and financial support, so that they may develop their own responses to these problems.

I should like to conclude with some brief comments about another means of cooperation that we have been exploring in recent years under the heading of the "social employment market". I am talking about the Cooperation Protocols signed between our institution IEFP, our ministry and others with responsibilities for promoting employment and social progress – because the so-called social employment market is not only about promoting employment and fighting social exclusion but is also about satisfying some people's needs in ways that the normal market cannot. It is about improving the population's quality of life, providing baby care, child-minding, care for the elderly, conservation of the cultural, natural and urban heritage, maintenance of forests and the prevention of forest fires.

In the social market committee, all measures and actions are coordinated by a Commission that is composed of representatives of all of the ministries involved in promoting the fight against social exclusion and in favour of employment and training, together with Portuguese municipalities, trades unions, the employers' confederations, the union of private social welfare institutions, the cooperatives, and the charities union.

This Commission meets regularly to define the plan of action, to promote new measures and to evaluate measures in progress. It also meets regularly with the regional interlocutors who were nominated for each of the five regions into which Portugal is divided. These regional interlocutors have almost identical responsibilities, but at a regional level. They play an important role "animating" the local authorities and local and regional partners and they survey the problems that need to be solved and try to give us a clear picture of the situation. This is absolutely crucial if the Commission of Social Market Employment is to take the right measures in the field.

Annex 1
Priority areas for donor assistance by country[34]

1. *Albania*

The following priority areas for support have been identified:

- Development of appropriate support institutions and implementation of special measures for SME's and self-employment promotion as an opportunity for economic revitalisation and job creation;
- The establishment of a youth information centre as a pilot institution in which young people can receive relevant labour market information and vocational guidance;
- Promotion of measures for making vocational training institutions community resource centres. This approach will bring initial and continuing training and training with employment/jobs closer together;
- Development and implementation of special measures for street children;
- Facing the problem of children that drop out early from school.

Donor assistance could focus on the following types:

- Provision of technical assistance and capacity building in the areas of SME's and self employment, dropouts and special measures for street children.
- Funding of piloting activities (e.g. funding of a pilot Youth Information Centre and a pilot vocational institution as Community Resource Centre).

2. *Bulgaria*

The following priority areas for support have been identified:

- Facilitating the transfer from school to work/job placement for youth people – development and provision of active and efficient forms for relating training to the practice: internship, on-job training, and apprenticeship.
- Re-establishment of the connections with companies to increase the involvement and the influence of the employers to develop a network of vocational schools and training enterprises.
- Promotion of vocational guidance in the school system.

34 The priority areas for donor assistance were identified by the participants at the seminar and they do not necessarily express the views of the relevant authorities in the countries.

- Promotion of vocational training and provision of basic vocational qualifications, guaranteeing valuable employment, training for the acquisition of key qualifications.
- Establishment of Pilot University Career Development Units in strong relationship with labour offices and employer's associations.
- Organisation of specialised measures for encouraging self-employment, job-placements.

Donors assistance could focus on the following:

- Training and guiding staff in the relevant institutions involved in the above priority areas.
- Support in the equipment providing.
- Good practice dissemination.
- Funding of the implementation of specific measures and activities.

3. *Croatia*

The following priority areas have been identified in the area of **youth unemployment policies**:

- Organisation of short courses to help young people in job seeking
  - **Target group:** Young unemployed persons aged 15-24 registered at employment services.
  - **Objectives:** (1) Teach young unemployed persons where to get information on vacancies and (2) Teach them how to apply for a job: to write an application, approach to the introducing interview, how to present their values during the interview etc.
  - **Form:** One-day or two-day courses organised by an employment service or by some other agency.
  - **Explanation:** Experience shows that young people do not know how to start to search for a job. Most of them think that the problem is solved when they register at the employment office. They should put much more effort in an active search for a work and use their social network (and spread it) to get information on vacancies, use media to get the information etc. They even don't know how to present themselves ("sell" themselves) on the market.
- Promotion of entrepreneurial programmes for young people
  - **Target groups:** Young unemployed people who are willing to get risk in self-employment regardless their educational background (or alternatively young unemployed people with at least secondary school education) registered at employment services.
  - **Objectives:** (1) To use creative capacities of young people; (2) To learn how to take initiatives to solve the problem of their own unemployment; (3) To teach the young people how to start a business.
  - **Form:** (1) Transmitting foreign experiences in workshops; (2) Workshops to learn how to detect needs of local people for products and services in terms of the most effective proposals; (3) Workshops to learn how to run a business.
  - **Explanation:** According to some foreign experiences, young people are more ready to take a risk in comparison with the other age groups of the unemployed, so they should be given a chance to try to solve their jobless situation themselves. Offer them programmes of small business that do not need a large seed capital, probably in consumption services or production services, e.g.: giving services to working women (help in home), to elder people (housekeeping), giving lessons to pupils and students etc.

The following priority areas have been identified for adaptation of the Croat **education system** so as to combat youth unemployment:

- Adapt secondary school programmes to the new market requirements.
  - Innovation of school programmes in accordance with the technical, technological development and requirements and expected developmental changes.
  - Reconciliation of Croatian curricula with the European school systems' standards.
  - Providing of the required level of informatics conoisseurship in Croatian schools.
  - Providing of more intense and more quality learning of foreign languages.
- Through the school system, to provide personal development including knowledge and skills supporting self-employment in small and medium enterprises, and life skills in general. Support to the full development of youth potentials during schooling, by creating flexible facultative programmes. Providing access to corresponding foreign programmes.
- To improve the professional orientation system.
- To facilitate and ease the possibilities for passing from one programme to another and from one school level to another for pupils during schooling, as well as for young people and adults.
- Capacity building for better evaluation of access to training and training progress (statistical data banks on dropouts, etc.), with a view to better decision making.

4. *Former Yugoslav Republic of Macedonia*

The following priority areas for support have been identified:

- To strengthen the vocational guidance at national, regional and local levels;
- To establish training centres offering courses for qualifications identified by the employers;
- Building partnerships and identification of stakeholders (at national, regional and local levels);
- Set up an evaluation system and criteria for successful policies and measures;
- Training of trainers;
- Development of computer network among respective ministries (Ministry of Labour, Ministry of Education, National Employment Office, etc.).

Donor assistance could focus on the following:

- Designing and establishing a training centre (expertise and technical support);
- Providing technical assistance and funding for a number of areas such as vocational guidance, evaluation system of policies and measures, training of trainers;
- Promoting a successful model for partnership for employment and vocational training;
- Providing instruments for up-dated data for the actual labour market needs and data-processing.

5. *Montenegro*

The following priority areas for support have been identified:

- Vocational training reform with the special emphasis of 14-19 year old (concept of the reforms, stock-taking report, teacher-training, training of head-masters, curriculum development, equipment improvement, development of teaching materials);
- Promotion of social partnership in the area of youth training and employment;
- Development of pilot projects for the different target groups of the unemployed (women, dropouts, young people in undeveloped regions);
- Development of training centres (business centres);
- Promotion of SME's and self-employment;
- Promotion of lifelong learning.

Donor assistance could focus on the following:

- Technical assistance;
- Financial assistance;
- Piloting activities;
- Provision of training;
- Expertise;
- Long-term partnership between donors and relevant national authorities.

6. *Romania*

The following priority areas for support have been identified:

- Development of training/employment schemes adapted to the needs of various target groups;
- Development of entrepreneurial core-skills, selection of participants to assist in the development of small business and/or self employment, financial support for start up.

Donor assistance could focus on the following:

- Technical assistance (in e.g. selecting the target groups and adapting the training programmes to their needs);
- Co-financing of programmes;
- Assisting the monitoring and assessment of the programmes;
- Technical assistance in the development of partnerships at local level.

7. *Slovenia*

The following priority areas for support have been identified:

- Reducing disparities;
- Teacher training/new methods, techniques;
- Vocational orientation/professional orientation and guidance/the schools competence – the development of centre for information and professional counselling; training for career planning;
- The development of alternative pathways and programmes for young at risk of social exclusion (training programmes + personal development + employment);
- Promotion of a dual system for unemployed young people.

Donors assistance could focus on the following:

- Transfer of know-how;
- The possibility of teacher training and other providers abroad, especially in the field of methods at the sphere of vocational training.

Annex 2
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